1 FUNCTIONS OF MANAGEMENT - III

"If you wish to succeed in managing and controlling others; learn to manage and control yourself."
- William Boetcker

- *Introduction to POSDCORB*
- *Meaning of Delegation of Authority*
- *Need for Delegation*
- *Principles of Effective Delegation*
- *Concept of Controlling*
- *Steps in Controlling*
- *Techniques in Controlling*
- *Concept of Co-ordination*
- *Co-ordination – Essence of Management*
- *Devices / Methods of Co-ordination*
- *Criteria of Successful Co-ordination*

INTRODUCTION TO POSDCORB

In 1916, **Henri Fayol** ***(Father of Modern Management)*** provided a 'functional approach to management' in his book, ***"Industrial and General Management"***. Fayol's list of managerial functions includes planning, organising, commanding, coordinating and controlling.

In 1930s, **Luther Gullick**, coined the functions of management in one word **'POSDCORB'** - **P** for planning, **O** for Organising, **S** for Staffing, **D** for Directing, **CO** for Co-ordinating, **R** for Reporting, and **B** for Budgeting.

Authors like **George Terry** place more emphasis on four important functions of management, i.e., planning, organising, directing and controlling.

The important functions of management are briefly explained as follows:

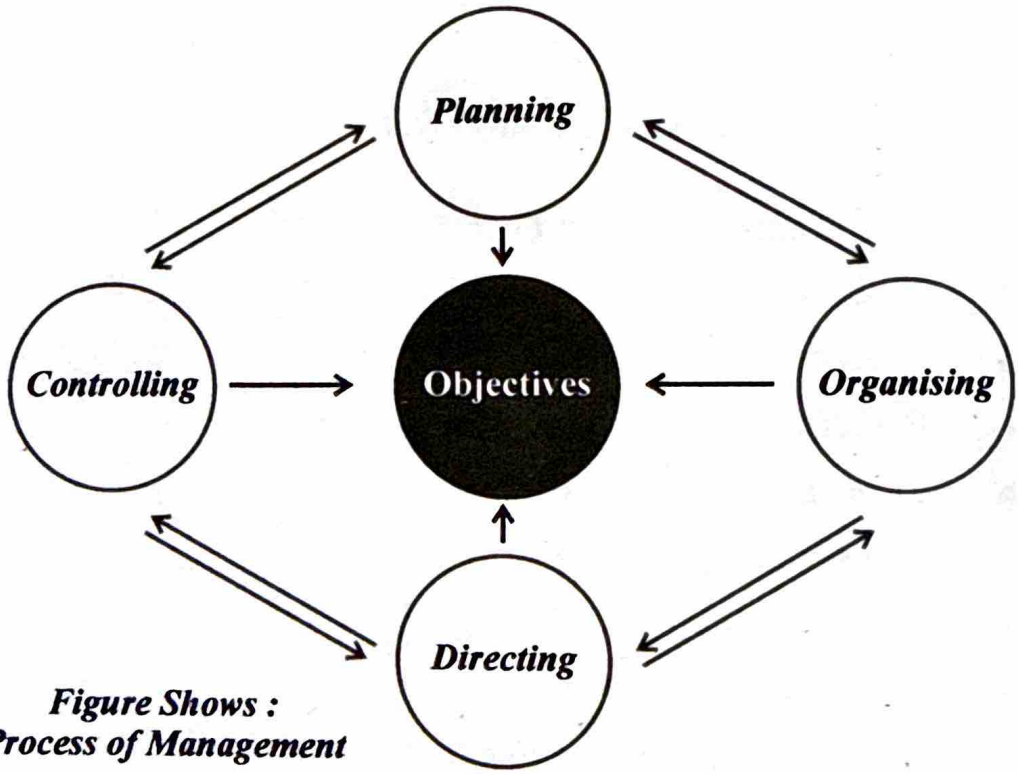


Figure Shows :
Process of Management

1. PLANNING :

In the words of **H.Koontz** ***"Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it."***

The main steps in planning are stated as follows:

- ***Analysing the internal environment*** so as to identify the strengths and weaknesses of the organisation.
- ***Analysing the external environment*** so as to identify the opportunities and threats.
- Setting of objectives and *goals*.

- Framing ***alternative*** plans.
- Studying or evaluating the alternative plans.
- Selection of the best suitable plan(s).
- Implementation of the plan(s).
- Review of the plan(s).

2. **ORGANISING :**

Organising is a process of identifying and grouping of the work to be performed, defining and delegating authority and responsibility, and establishing relationships to accomplish objectives."

The main steps in organising are as follows:

- Determining objectives and goals of the organisation.
- Identifying the activities to be performed to achieve goals.
- Grouping of the related activities into departments.
- Making arrangement of resources.
- Assigning duties and responsibilities to the employees.
- Granting authority to managers.
- Establishing superior-subordinate relationships.
- Coordination of activities in the organisation.

3. **STAFFING :**

It is an important aspect of organising. Since staffing is very vital, it needs to be given proper focus. A major aspect of staffing is to find out the right person for the right job. It also involves :

- Placing the right person at right job.
- Performance appraisal of the employees.
- Promotion of the employees.
- Transferring the personnel.

- Training and development of employees.
- Motivating and rewarding the employees.

4. DIRECTING :

The plans may be the best feasible ones, the activities may be systematically organised, the staff may be highly efficient, but the organisation will not succeed if there is no proper direction.

Directing involves not only instructing people what to do, but also ensuring that they know what is expected of them. The manager should help, motivate and guide his subordinates. Most of all, directing involves development of high morale of the subordinates.

Directing involves three sub-functions :

- **Communicating :** It involves transfer of messages from one person to another. Effective communication takes place only when the message is clearly understood and a proper feedback is received or proper action is taken.
- **Leading :** Leading is an act of influencing subordinates to work willingly towards the attainment of desired objectives.
- **Motivating :** The manager should motivate his subordinates so that they work with dedication and commitment to achieve goals of the organisation. To motivate employees, the management must provide monetary and non-monetary incentives.

5. COORDINATION :

It refers to integration of activities or actions. The activities of individuals and departments are linked with each other, so there is a need for coordination, throughout the organisation.

Some authors like Luther Gullick, pointed out that coordination is a separate function by itself, whereas, others like Earnest Dale, are of the opinion that coordination is a part of organising function. Although co-ordination to a great extent is a part of

organising function, it does affect all other managerial functions. It is the 'essence of management'.

6. **REPORTING :**

Each and every manager at all levels has to report to higher authorities. Normally, reporting is done in respect of the performance of the activities.

It is to be noted that reporting is not a separate function by itself as suggested by Luther Gullick. It is an important aspect of planning as well as controlling. Reports are prepared for planning purpose as well as for controlling the activities.

7. **BUDGETING :**

A budget is an estimate expressed in numerical terms.

Like reporting, budgeting is not a separate function by itself. Budgeting aids in planning as well as in controlling the activities.

It is to be noted that Luther Gullick stated reporting and budgeting as separate functions may be because he did not state "Controlling" as the function of management.

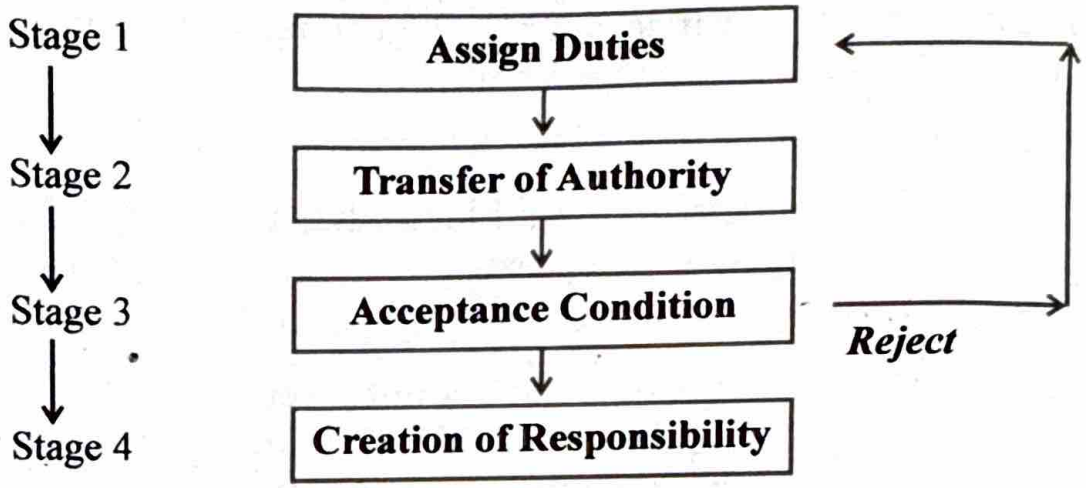
MEANING OF DELEGATION OF AUTHORITY

John Pearce and **Richard Robinson** define delegation of authority as ***"a process by which a manager assigns tasks and authority to subordinates who accept responsibility for those jobs."***

Delegation is a process by which a superior transfers formal authority to his subordinate.

Process

There are four distinct stages in the delegation process, although it does not always follow the same pattern of stages. These are shown as follows:



First Stage : Assigning Duties:

The superior must identify the work or activity that is to be delegated. The superior must also identify the right subordinate to delegate the work. At this stage, there must be functional clarity, i.e.,

- What is to be done?
- When it is to be done?
- How it is to be done?
- How much resources to be utilized?

Second Stage : Transfer of Authority

The superior must transfer appropriate authority to the subordinate. Authority is the power to take decisions. Adequate authority is given, so that the delegatee can take the right decision at the right time, and complete the delegated work effectively.

Third Stage : Acceptance/Rejection of Delegation

The delegatee may or may not accept authority delegated to him. If he accepts the authority, then the process continues. If he rejects the authority, the process of delegation has to be re-started again.

The delegatee may not accept delegation on the following grounds:

- Fear of criticism.
- Fear of being exposed of inefficiency.

- Fear of losing job (in the event of poor performance).
- Lack of incentives.
- Lack of information and resources to complete the work.
- Lack of self-confidence.
- Over burdened with regular work.
- Poor relations with the superior, etc.

Fourth Stage : Creation of Responsibility

The fourth and final stage in the process is the creation of an obligation on the part of the subordinate to perform the assigned tasks and to use the assigned authority properly. By accepting the assignment and its accompanying authority, the employee becomes accountable to the manager and is responsible for completing the assigned task.

At this stage, both the delegator and the delegatee have authority to complete the task and both are responsible for how the task is performed. It is the duty of the delegator to assist the delegatee, whenever any problem arises. Ultimately, the delegatee completes the assigned task and gets credit if the task is done well. If things do not go well, however, he will have to answer to the delegator, and the delegator is ultimately responsible to higher authorities.

NEED FOR DELEGATION

Delegation of authority is advantageous to both – the superior and the subordinate. Delegation is needed for the following reasons:

1. **Enables Superiors to Perform More Challenging Jobs :**
   Delegation saves a lot of time and energy of the superior and so he can concentrate on more important and challenging jobs while the routine jobs are delegated to the subordinates.

2. **Allows Quick Action :**
   It leads to quicker action and faster, better decisions. The

subordinate need not always consult his superior once the authority is delegated to him to take actions.

3. **Facilitates Training and Development :**

Due to delegation, subordinates can learn to perform certain functions or to make decisions. Delegation is very much necessary if a firm is concerned about the development of personnel to assume more challenging and demanding jobs in future.

4. **Leads to Motivation :**

Delegation may lead to higher motivation. When there is delegation, subordinates view it as a reflection of trust in their abilities. In order to retain the trust of the superiors the subordinates often put in their best efforts to get the work done.

5. **Better Results :**

Delegation often facilitates quick and better decisions. This in turn brings in good results.

6. **Improves Superior-Subordinate Relationships :**

Because of the trust imposed in the subordinates, there develops a sense of understanding between the superior and the subordinate and as such the relations between them improves.

7. **Enhances Team Spirit :**

The superior and the subordinate work together as a team in order to get the work done. This often results in higher productivity and efficiency.

8. **Reduces Absenteeism :**

Delegation may result in reduced absenteeism of subordinates. They may not remain absent on flimsy grounds.

9. **Reduces Wastages :**

Delegation also reduces wastages. This is because the subordinates work with greater care and concentration. However, if authority is not delegated, they may tend to be careless and therefore, there may be wastages.

10. Facilitates Performance Appraisal :

Delegation of authority facilitates proper performance appraisal of the subordinates. The superior can judge the ability of the subordinates depending on the performance of the tasks assigned to them. If the performance is good, then the subordinates may be promoted or adequately rewarded.

PRINCIPLES OF EFFECTIVE DELEGATION

The following are some of the essential principles for overcoming barriers to ***effective delegation :***

1. **Principle of Functional Clarity :** The subordinate should know the importance of the job delegated to him. The objectives of delegation must be clearly defined. The delegatee must know exactly what is expected of him and how far his performance will help in accomplishment of group goals.

2. **Principle of Authority and Responsibility :** The authority and responsibility of delegatee should be clearly specified, so that the delegatee knows how much authority he will have in completing the assigned task and how far he will be responsible for the same. There should be a proper balance between authority and responsibility.

3. **Principle of Exception :** When authority is delegated to subordinates, there should not be unnecessary interference on the part of superior. Only under exceptional cases, the superior may interfere in the working of subordinates and if required may even withdraw the delegated authority.

4. **Principle of Unity of Command :** The subordinate should receive orders and instructions from only one superior to undertake the delegated work. Reporting to more than one superior will create problems and there may be confusion.

5. **Principle of Scalar Chain :** There should be clear lines of authority from the superior to subordinate. The subordinate must know who delegates authority to him and to whom matters beyond his authority must be referred.

6. **Principle of Absoluteness of Responsibility :** By delegating authority to subordinates, the superior cannot escape responsibility. The responsibility of the superior for the acts of his subordinates is absolute. The overall responsibility lies with the superior.

7. **Selection of Right Subordinates :** The superior should select competent subordinates to delegate work. The delegatee must possess necessary skills and knowledge to handle new assignments.

8. **Provision of Incentives :** Subordinates must be motivated in accepting new assignments by giving incentives. Delegators should monitor their delegatees actions and reward success.

9. **Provision of Training :** Managers should provide training to subordinates to handle new roles. Training would help to improve knowledge and skills to effectively handle the delegated work.

10. **Establishment of Necessary Controls :** The superior must establish and exercise necessary control over the activities of subordinate. If required, corrective measures must be taken, so that the performance takes place as planned.

CONCEPT OF CONTROLLING

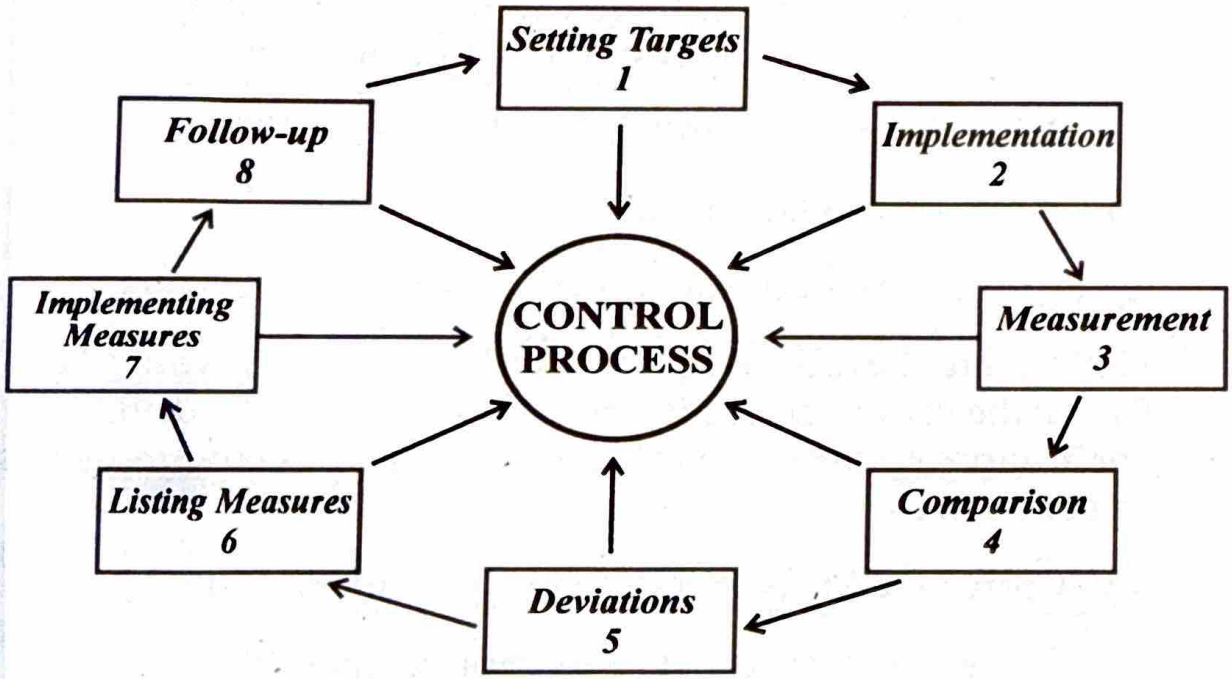
Controlling is a process of monitoring actual performance, and taking corrective measures, if required.

George Terry, defines *"Controlling is determining what is being accomplished, that is, evaluating the performance, and if necessary, applying corrective measures so that the performance takes place according to the plans."*

In the words of **Robert Anthony**, *"Management control is the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of an organisation's objectives."*

STEPS IN CONTROLLING

Managers control activities by monitoring the performance and checking it against planned targets, thereby, taking corrective measures, if required. The steps in the control process are explained as follows:



1. **Setting Targets :** While planning, managers fix targets that are to be achieved by individuals/departments. Specific targets are generally set for a definite period. For instance, the marketing department may set the target to sell 10,000 units of a product during the month of December, 2024.

2. **Implementation of Targets :** The manager must make arrangement to implement the targets. Implementation involves:

   - Organising resources.
   - Directing the subordinates.

3. **Measurement of Performance :** Performance of individuals/ departments is measured periodically. Necessary reports are prepared to indicate the performance of individuals. The reports may be prepared section wise, activity wise, and period wise.

4. **Comparing Performance with Plans :** The actual performance is then compared against the planned targets. By comparing, the manager can find out the shortfalls or deviations. For instance, the actual performance may be sale of 9,000 units. Thus, the shortfall is 1000 units (10,000 - 9,000).

5. **Finding the Causes of Deviations :** The manager may study the causes of deviations, especially, when there are negative deviations. For instance, there can be shortfall in sales. This may be due to any or many of the following reasons:

   (a) Poor advertising campaign.

   (b) Poor dealer relationships.

   (c) Problems with the quality of product, etc.

6. **Listing out Corrective Measures :** The next step would be to list out the various corrective measures to correct the deviations. For instance, to correct shortfall in sales, the corrective measures can be such as :

   (a) Corrective Measure I → to increase advertising.

   (b) Corrective Measure II → to improve quality.

   (c) Corrective Measure III → to increase dealers incentives, etc.

7. **Selecting and Implementing Corrective Measures :** Once, a list of corrective measures is prepared, the manager makes a cost-benefit analysis of the corrective measures. He then selects the best feasible corrective steps. The measures are then implemented.

8. **Review or Follow-up :** The manager needs to review the corrective measures to find out whether the corrective measures taken are in a position to correct the deviations. If necessary, additional corrective measures may be taken, or the targets may be set again.

TECHNIQUES IN CONTROLLING

The following are some of the techniques of managerial control:

A. Budgetary Control

Budgets are statements of anticipated results. They can be expressed either in monetary terms such as in the case of revenue and expense budgets, or in non-monetary terms such as in the case of physical sales volume or production volume.

Budgets can be used to control activities. The actual performance can be compared against the budgeted performance. If required control measures can be undertaken to correct deviations. There are various types of budgets such as cash budget, capital expenditure budget, advertising budget, etc.

Advantages:

1. Budgets help to make arrangement of resources - physical, human and financial, so as to complete the various activities in the organisation.
2. Budgets are means of coordination of activities in the organisation. The interaction between managers and subordinates that takes place during the budget process helps to define and integrate the activities of organisation members.
3. Budgets can influence the behaviour and motivation of the employees to perform the activities as per budgeted targets.
4. Budgetary control follows ***the principle of control by exception.*** The subordinates report only exceptional deviations to their superiors, and as such the superiors can concentrate on significant deviations.
5. Budgets facilitate delegation of authority to lower levels without loss of control, as the targets to be achieved are clearly specified.

6. Budgets facilitates performance appraisal of the employees. The actual performance can be compared against budgeted targets to appraise the employees.

7. Budgets help not in organizing resources, but also in providing necessary directions to the employees so that they work effectively to accomplish organisational goals.

8. Budgets help to control costs and expenses. The employees would try to make every possible effort to reduce costs and expenses.

Dangers or Limitations:

1. At times, budgetary control programs are so rigid and as such it restricts flexibility on the parts of the managers in charge of operations.

2. Budgets may negatively affect the initiative and creativity of the managers, and as they have to adhere to budgeted performance.

3. There are dangers of over-targeting and under targeting. This means, at times high targets or low targets are set than what can be actually achieved. Such over targeting or under targeting may be due to wrong data, poor analysis of data, wrong forecasting, etc.

4. Budgets may generate inter-departmental rivalries, as some departments may be allocated higher funds for their activities as compared to other departments. At times, one department may not pass on adequate information required by other departments. For instance, the sales department may not get adequate information from the production department to budget sales. This may also lead to friction between the departments.

5. Budget exercise may also hide inefficiencies of managers. Normally, budgets, such as expense budgets are based on past data. If certain amount was spent in the past, then that becomes the base for future budgets. In fact, this should not be the case or base, because in the past expenses may have been highly

inflated or the targets to be accomplished may have been deliberately low.

B. Management Audit

Management audit refers to the systematic evaluation of the functioning, performance and effectiveness of management of an organisation. The management audit is conducted by a team of experts. The team collects relevant data from management, employees, customers, dealers, suppliers and others. The data is in respect of various decisions and actions and their implications on the concerned parties and on the performance of the organisation. ***The data so collected is analyzed and conclusions are drawn in respect of the performance of the management.***

The objective of management audit is to assess objectively the performance of the management. It enables the management to know the areas of their strengths and weaknesses. It helps the management to correct their weaknesses and consolidate their strengths. In other words, the management audit helps the management to improve the processes and practices of management in the organisation.

Areas covered under management audit:

- The plans, policies, procedures, programmes, and techniques adopted by the management in the conduct of their activities.
- The quality of managerial decisions and their impact on the performance and people of the organisation.
- The performance of various functional areas such as marketing, finance, production, personnel and other areas.
- The management of physical, human and financial resources of the organisation.
- The work culture of the organisation, whether or not it is conducive for the efficient conduct of activities.
- The structure of the organisation – the various relationships in the organisation.

- The environment affecting the performance of the organisation.
- The process of management, including planning, organizing, directing, and controlling.

Advantages:

- It helps to monitor the performance of the management. This in turn helps the management to know their weaknesses and strengths, and as such the management can take necessary action to correct their weaknesses and to consolidate their strengths.
- It helps the management to improve communication system in the organisation, which in turn can help in proper decision-making and in maintaining good relations with the employees in the organisation.
- It keeps the management active and alert to the changes in the environment, so that they can pre-empt the situation and take appropriate steps to face the environment changes even before they take place.
- The management can introduce structural changes in the organisation, in terms of various departments, superior-subordinate relations, etc.
- It helps to improve the overall process of management, in the areas of planning, organizing, directing and control.
- It facilitates the management to achieve organizational objectives efficiently and effectively.

Disadvantages or Dangers:

- It is time consuming, expensive and involves a lot of paper work.
- Since it reveals shortcomings of management, some managers resent the management audit, especially in non-business organizations.

- The management audit may be biased, especially when conducted by internal people. They may report favourably about certain areas or departments of their own interest.
- At times, persons who are not familiar with the actual work environment conduct management audit. This may create more harm than good to the organisation.
- There are problems in collecting objective data, as some managers or employees may not disclose certain sensitive information.

C. PERT and CPM

The techniques of PERT and CPM were developed in USA during the late 1950s in order to plan and control activities.

PERT – ***Programme Evaluation Review Technique*** was developed by the Special Projects Office of the U.S. Navy. It was first formally applied to the planning and control of the Polaris Weapon System in 1958. This technique helps to expedite highly complex projects.

CPM – ***Critical Path Method*** was developed by Du Pont Company for the purpose of scheduling. The PERT and CPM techniques are based on the same principles. The only difference is that:

- CPM is based on a single estimate of time required for the completion of activities. The CPM technique is used for projects like construction and maintenance projects.
- PERT is based on expected completion time, computed from three estimates of time – the optimistic time, the pessimistic time and the most likely time. The PERT technique can be used for more complicated projects like engineering and tooling projects.

PERT and CPM breaks down projects into events and activities and then carefully follows them. It is a ***time-event network analysis system***. The various events in a project are identified, with a planned time estimate for each event. These events are placed in a network showing the relationships of each event to the other events of the project.

PERT and CPM techniques can be used for planning, scheduling and executing large projects, which involves a number of interrelated activities. PERT and CPM help to plan and control both time and cost of the projects. The following are the steps involved in PERT and CPM:

- ***Listing of all the activities related to the project.***
- ***Determining the time estimates for each and every activity of the project.***
- ***Determining the critical path, i.e., the activity that takes the longest time.***
- ***Monitoring the particular sequence of activities on the critical path so as to ensure that the total project gets completed as per the schedule.***
- Follow-up after the completion of the project to know its success rate, and also to know whether or not certain activities of the projects could have been speeded up, which could have led to the completion of the project much earlier than otherwise.

Major Advantages:

- ***Facilitates Planning***: PERT and CPM help managers to plan, as it is difficult to make a time-event analysis without planning. The subordinate manager must also plan for the event for which he is responsible.
- ***Completion of Projects:*** These techniques focus on the critical path or the sequence of events, which requires the maximum possible time, so that the critical path can be properly monitored so that the project completes as per the schedule.
- ***Facilitates Organising:*** The network techniques enable the project managers to make proper arrangement of resources for each and every activity of the project depending upon the time required for such activities.
- ***Facilitates Directing:*** These techniques facilitate proper directions to the employees. The managers can provide the right directions at the right time to complete the project on time.

D. Management By Objectives

The MBO technique can be used for planning as well as controlling activities in key result areas. In MBO, the superior and subordinate managers jointly define goals and frame plans. The subordinate manager implements the plan. Finally, there is a joint review of periodic performance, whereby, the superior and subordinate managers decide about control measures, to correct deviations, if required.

Advantages of MBO:

1. **Better utilisation of resources :** MBO system facilitates optimum utilisation of physical, financial, and human resources towards the achievement of goals.

2. **Aid in planning :** MBO system determines achievable targets for subordinate managers after careful consideration. Proper and clear targets enable them to design feasible plans for the organisation.

3. **Development of personnel :** Subordinate managers develop good skills in planning, organising, directing and controlling while handling their individual tasks. This enables the company to promote subordinate managers to higher posts as and when such need arise.

4. **Better Team Work :** There is always an interaction between the superior and the subordinate in setting goals, and in monitoring performance. This develops good relations and they work as a team.

5. **Concentration on KRAs:** In MBO, goals are set in KRAs. Activities are directed to attain the goals set in KRAs. Wasteful activities are avoided.

6. **Objective Evaluation :** MBO facilitates objective evaluation of subordinate managers, since performance is measured against results, rather than on personality traits.

7. **MBO is result oriented :** MBO places emphasis on results and not just on activities. It links evaluation process directly to performance.

8. **Sound Organisational Structure :** In MBO system, the organisation structure is subject to periodic review and, if necessary changed to suit the needs of the company.

E. Direct Supervision and Observation

In any organisation, superiors directly supervise and observe the performance of their subordinates. Through supervision and observation, superiors can determine whether the subordinates perform their work as per the plans. If any deviations are noticed, the superiors may take immediate action to correct the deviations.

The personal supervision and observation on the part of the superiors can have a positive effect on the performance of the subordinates. It injects a sense of discipline and commitment on the part of the subordinates. However, personal supervision takes a lot of time of the superiors, and at times, employees may resent too much of supervision as they may feel that it is an insult to their honesty and integrity.

F. Self-Control

Self-control refers to self-directed control. A person is given freedom to set his own targets, evaluate his own performance and take corrective measures as and when required. Self-control is especially required for higher-level executives. The higher-level executives may resent externally imposed control over their activities.

Self-control must be inculcated in the subordinates, as it is neither advisable nor feasible for the superior to control each and every aspect of the subordinates' work performance. However, self-control does not mean any control by the superiors. The superiors should control the activities of the subordinates, especially in key result areas, and when significant deviations are noticed.

G. Break Even Analysis

It is technique commonly used in costing to analyse the cost-volume-profit relationship. Break-even technique is concerned with finding out that level or point at which the sales will break-even (no profit or no loss).

The point or the level at which the sales break even is called break-even point. The break-even point is that point at which the firm's total sales revenue is equal to the cost of goods sold. The BEP can also be called as "No Profit, No Loss" point because at this point there is neither profit nor loss to the firm. In other words, it can be said that it is the first or the starting point towards profit. Anything that is sold over and above BEP level of output indicates profit to the firm.

Formula to Calculate BEP:

It is a technique commonly used in costing to analyse the ***cost-volume-profit*** relationship. Break Even technique is concerned with finding out that level or point at which the sales will break-even (no profit or no loss).

The point or the level at which the sales break even is called ***"break even point"***. The break even point is that point at which the firm's total sales revenue is equal to the cost of goods sold. The BEP can also be called as ***"No Profit, No Loss Point"*** because at this point there is neither profit nor loss to the firm. In other words, it can be said that it is the first or the starting point towards profit. Anything that is sold over and above BEP level of output indicates profit to the firm.

An export firm will break even when the total export revenue (FOB Price plus Incentives) is equal to the total cost of goods sold. Break even analysis is useful to exporters - (a) to decide the minimum quantity of goods to be sold in the export markets, and (b) to fix the export price so as to recover the cost of goods sold.

Formula to calculate BEP

$$BEP = \frac{FC}{SP - VC} \text{ or } \frac{FC}{C}$$

Where, SP = Selling Price; FC = Fixed Cost

VC = Variable Cost; C = Contribution (i.e. Profit)

For Example :

Fixed cost = ₹ 2,00,000

Variable Cost = ₹ 5 per Unit

Selling Price = ₹ 10 per Unit

Production capacity : 1,00,000 units per year.

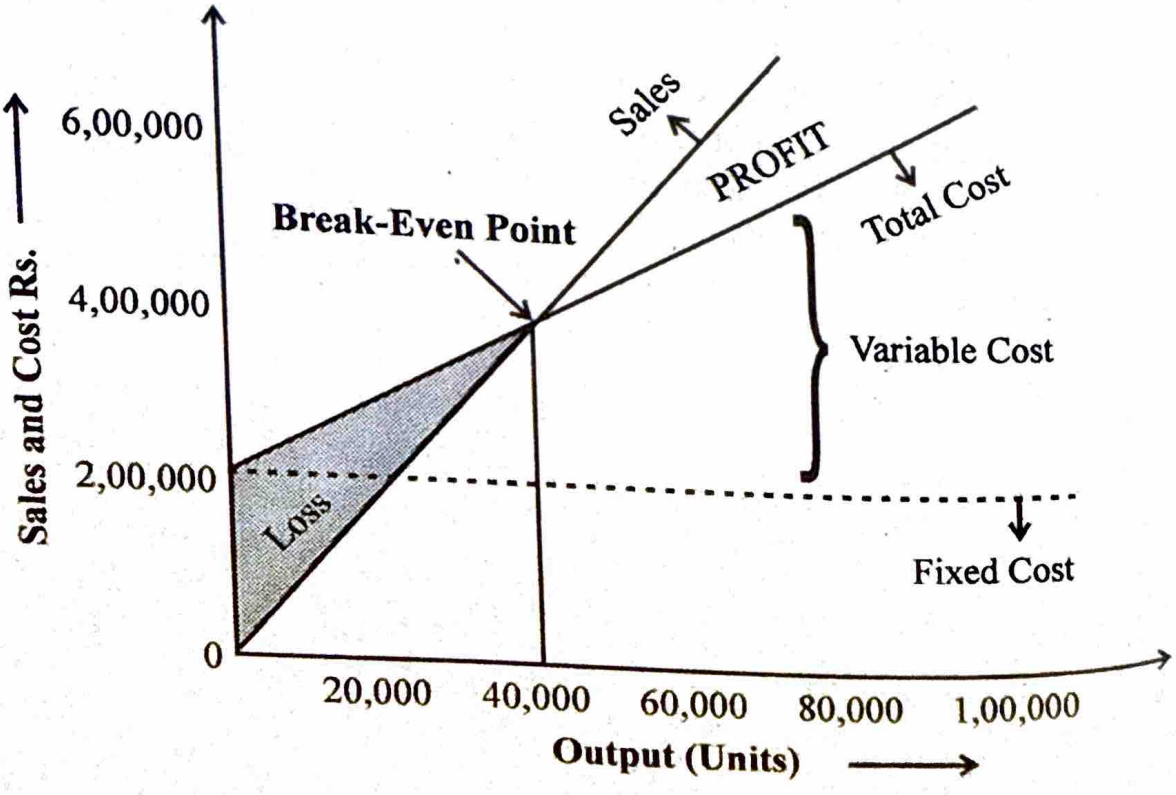
Therefore,

$$BEP = \frac{FC}{SP - VC}$$

$$= \frac{2,00,000}{10 - 5}$$

$$= \frac{2,00,000}{5} = 40,000$$

The Break-Even Point can be illustrated in the following diagram:



Advantages:

1. It helps to decide the minimum quantity of goods to be sold in the market so as to fully recover costs.
2. It helps to fix the price so as to recover the cost of goods sold.
3. It helps to estimate profits at different levels of activity.
4. It enables the management to exercise control over variable expenses.

Disadvantages:

1. At times, it may be difficult to classify costs into fixed and variable costs.
2. Fixed costs remain constant upto a certain point, beyond which they tend to increase.
3. Variable costs may not increase in the same proportion as that of the units produced, as beyond a certain point there are economies of large scale.
4. Break-even analysis does not consider the changing impact of technology, factor prices and product mix. It considers such factors as static.

H. Management Information System

Management information system (MIS) is a formal system of gathering, integrating, comparing, analysing, and dispersing information internal and external to the enterprise in a timely, effective and efficient manner. The information is collected from internal sources, i.e., on financial matters such as profits, sales revenue, etc., and on non-monetary matters such as sales volume, market share, etc. MIS can also collect information from external sources such as information about other firms in the industry. Whenever, the information is required by the managers, it is passed on them instantly for necessary reference and action.

Nowadays, MIS is computerized. The computerization of MIS helps to process, analyse, store and retrieve huge volumes of data. The

computerization of MIS has facilitated a central database and inter-linkage of information flows among all the units in the organisation.

ADVANTAGES:

1. **Facilitates Decentralisation:** MIS facilitates monitoring the performance of various units in the organisation. Due to the facility of monitoring the performance, the top management can decentralize authority to the lower levels or unit levels.

2. **Facilitates Control:** MIS enables to collect, compare, analyse and store huge volumes of data. Whenever, managers need data, they can easily obtain the same for the purpose of decision-making in respect of controlling the activities of a particular unit and even of the entire organisation as a whole.

3. **Assists in Coordination:** MIS helps to coordinate the activities of various units and sub-units in the organisation. The activities of one unit or sub-unit can be linked with other units or sub-units in the organisation with the help of MIS.

4. **Reduces Information Overload:** MIS provides only the required data as and when required for decision-making including control of activities. This means managers need not burden themselves with too much of information, sort it out and then use the required amount of data. This saves a lot of time, and effort and reduces burden on the managers.

5. **Facilitates Overall Management Process:** MIS helps to make decisions not only in respect of control, but also in respect of other functions of management including, planning, organizing and directing. With the help of MIS data, managers can plan, organize and effectively direct the subordinates in the organisation.

CONCEPT OF CO-ORDINATION

When the organization structure is designed and various organsational units are created, a problem arises as to how to synchronise the operation of these units and people working therein

so that they contribute their maximum to achieve organisational objectives. Often, conflicts emerge among various organizational functions and individuals. In order to overcome these problems, coordination is needed. It is an integration or synchronization of group efforts in an organization.

Theo Haimann has defined coordination as follows:

"Coordination is the orderly synchronisnig of efforts of the subordinates to provide the proper amount, timing and quality of execution so that their unified efforts lead to the stated objective, namely the common purpose of the enterprise".

According to **William Glueck**, ***"Coordination is the set of human and structural mechanisms designed to link the parts of the enterprise together to help achieve the specified objectives."***

Mooney defines coordination as ***"the orderly arrangement of group effort, to provide unity of action in the pursuit of common purpose."***

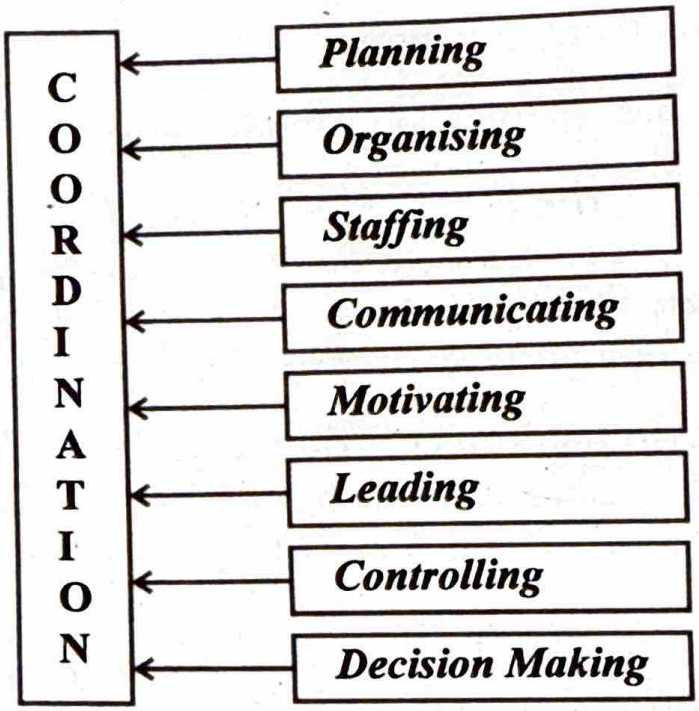
CO-ORDINATION - ESSENCE OF MANAGEMENT

Some authors consider coordination as a separate function of management. However, it is more accurate to say that coordination is an essence of management rather than one of its functions. Some managers even feel that coordination is one word that best suggests the sum total of managerial functions.

Coordination refers to inter-linking of actions. There is a need for coordination at all levels.

- The top level coordinates the activities of the middle level.
- The middle level coordinates the activities of the lower level.
- The lower level mangers coordinate the activities of the subordinates.

Coordination is the essence of management. There is a need for coordination in every function of management. This can be shown in the following diagram:



1. **Planning and Coordination:** In the words of **Koontz** ***"Planning refers to deciding in advance what to do, how to do, when to do, and who is to do it."*** **There is a need for coordination in planning.** For instance, the top level managers coordinate the planning activity of the middle level managers and the middle level managers coordinate the activities of lower level manager.

2. **Organizing and Coordination:** ***"Organizing is the process of identifying and grouping of the work to be performed, defining and delegating authority and responsibility, and establishing relationships to accomplish objectives."*** **There is a need for coordination in organizing.**

   The top level superiors coordinate the activities of the middle level managers. The middle level superiors coordinate the activities of the lower level managers. The lower level superiors coordinate the activities of their subordinates.

3. **Staffing and Coordination:** ***Staffing involves recruitment and selection, training, placement, promotion, transfer, and so on.*** **There is a need for coordination in staffing.**

For instance, once the employee is selected and placed on a suitable job, his efforts are coordinated with those of others doing related activities in the department.

4. **Communicating and Coordination:** ***Communication refers to transfer of messages from one person to another in the organization.*** **There is a need for coordination in communication.** Through effective communication, the superior coordinates the activities of his subordinates.

5. **Leading and Coordination:** ***Leading refers to act of influencing the subordinates to perform willingly towards group objectives.*** **There is a need for coordination in leading.** Through effective leadership, the superior coordinates the activities of his subordinates.

6. **Motivating and Coordinating:** ***Motivation is the act of encouraging subordinates to perform better by providing monetary and non-monetary incentives.*** **There is a need for coordination in motivating the subordinates.**

7. **Controlling and Coordination:** ***Controlling refers to monitoring actual performance, and taking corrective measures, if required.*** **There is a need for coordination in controlling the activities of the organization.**

   For instance, when control measures are initiated, the manager must coordinate the activities of his subordinates to achieve desired results.

8. **Coordination and Decision Making:** ***Decision making refers to identifying a set of alternatives, and then selecting the best alternative course of action.*** **There is a need for coordination in decision making.**

   For example, when a decision is taken by a department, then the manager should coordinate the activities of his subordinates to implement the decision.

DEVICES / METHODS OF CO-ORDINATION

There are various devices or techniques or methods of co-ordination, which are stated as follows:

1. **Committees:** A committee consists of individuals, who come together to discuss certain problems or issues and to arrive at a certain solution or decision to solve problems or to deal with such issues. Committees can serve as a coordinating link in the organizations. For instance, a committee involving representatives from various departments, can effectively serve as a means to coordinate the activities of the various departments. The committee can serve as a useful link in coordination, especially when there are conflicting interests of various departments or units in the organisation.

2. **Liaison Officers:** Liaison officers act as a link between various units or departments of an organisation. The liaison officers work on the same lines as that of committees in coordinating the activities of various units or departments in an organisation. Liaison officers can serve as a vital link among units or departments, suppliers, and sub-contractors. They are used when the top executives are too busy to coordinate the activities of various departments or units. However, the liaison officers cannot be perfect substitutes for coordinating the activities on behalf of the executives.

3. **Communication System:** Proper communication system is vital for coordinating the activities of an organisation. There must clear communication at all levels in the organisation and also between the superior and the subordinates. Good communication system avoids the problems of misunderstanding in the organisation, and in turn helps to coordinate the activities more easily and effectively.

4. **Negotiation:** Negotiation among the various groups or units can be used as an effective means of coordinating the activities in the organisation. Negotiation as a means of coordination can be used when there are conflicting interests in the organisation. There are various types of negotiation:

- Distributive negotiation, where the negotiating parties negotiate in such a manner that one of the parties win and the other loses. It's a win-lose situation. It is usually not an effective means of coordination.

- Integrative negotiation, where all the parties to the negotiation benefit. It's a win-win situation. It acts as an effective means of coordination.

- Attitudinal structuring, where the attitudes of conflicting parties are structured in the negotiation process. Through effective change in attitudes, the conflict in interests may disappear. It may result in a win-win situation. It can also act as an effective means of coordination.

5. **Project Management:** Project management is used when there are several projects to be implemented. Each project is under the supervision and coordination of project manager. The project manager coordinates the activities of various functional specialists drawn from various departments, such as production, finance, engineering, marketing and sales, etc. The project manager has to manage inter-departmental employees.

6. **Reward System:** A proper reward system can be used as a means of coordinating the activities in the organisation. The reward system must recognize the efforts of individuals as well as group performance. In other words, there must be group incentives and not just individual incentives for better performance. In the presence of a suitable reward system, the superiors would be in a better position to coordinate the activities of their subordinates.

7. **Unity of Command:** There must be clear lines of authority in the organisation. The superiors must be given adequate authority to coordinate the efforts of their subordinates. The subordinates should be made clear as to whom they should report. In other words, there must be proper unity of command. Proper unity of command can help to effectively coordinate the activities of the people in the organisation.

8. **Clarity in Objectives, Policies and Procedures:** There must be clarity in objectives, policies, procedures, and rules. A good deal of clarity facilitates proper direction and control. It can also act as a means to coordinate effectively the activities of the people in the organisation. In the absence of clearly defined objectives, policies, procedures and rules, the superiors may find it difficult to provide the right direction and coordination of activities may become difficult.

CRITERIA OF SUCCESSFUL CO-ORDINATION

In order to carry out the assigned tasks successfully, the employees must be successful in co-ordinating with their team members. For successful co-ordination, the employees should follow the principles of co-ordination.

Mary Parker Follet has advocated four important principles, which are to be considered for effective coordination:

1. **Principle of Early Beginning:** ***This principle implies that the process of coordination should begin at an early stage of managerial process. It should begin at the early stages of planning.*** If coordination is followed at the early stages of planning, then not only right plans would be framed, but it would also help in effective organizing, direction and control.

2. **Principle of Direct Contact:** ***Managers need to have direct personal contact with their subordinates. This helps in developing not only good relations between the superior and the subordinates, but it also helps the superior to coordinate the activities of the subordinates effectively and efficiently.***

3. **Principle of Continuity:** ***Coordination is a continuous process. It is not a one-time activity. As long as the organization exists, there would be activities, and as long as there are activities in the organization, there is a need for coordination.*** Also, the coordination should be throughout the management process. It should be applicable at the time of planning, organizing, directing, and it must also be continued at the time of control.

4. **Principle of Reciprocal Relations:** ***The actions or decisions of the various persons or departments in the organization are inter-related.*** For instance, the decisions of the marketing people can affect the working of the production department. Therefore, ***when the marketing manager takes decisions to coordinate the activities of his subordinates, he may have to consider the possible impact of such decisions on other persons in his department as well as in other departments.***

Apart, from the above-mentioned four principles, managers must also consider some other principles such as follows:

5. **Principle of Effective Communication:** ***For coordination to be effective, there must be effective communication throughout the organization. There must be good communications between the levels and also between the superior and subordinates.*** Proper communication would help to clear out misunderstanding in the organization, and coordination would be easier and effective.

6. **Principle of Mutual Respect:** ***There must be mutual respect throughout the organization. The managers at all levels should respect each other. Again, the superiors must respect the feelings, and emotions of the subordinates.*** The subordinates in turn must respect the superiors. Mutual respect would help to coordinate the activities in a better manner.

7. **Principle of Scalar Chain:** ***The principle of scalar chain or line of command must be followed at the time of coordination. At each level, the superior coordinates the activities of his subordinates.*** Therefore, the superior should have proper authority to coordinate the activities. In other words, right person with the right authority should coordinate the activities.

8. **Principle of Clarity of Objectives:** ***There must be clarity of objectives. Everyone in the organization must be clear about the objectives, which are to be achieved. Such clarity of objectives would enable to conduct the activities properly and coordination also can be easier and effective.***

OBJECTIVE QUESTIONS

I. Fill in the blanks with the correct option:

1. In 1930s, _____ coined the functions of management in one word 'POSDCORB'.
   (a) Luther Gullick (b) Henri Fayol
   (c) James Stoner (d) Peter Drucker

2. _____ means to confer, or to transfer or to assign.
   (a) Responsibility (b) Authority
   (c) Delegation (d) Accountability

3. _____ is a process of monitoring actual performance, and taking corrective measures, if required.
   (a) Delegation (b) Controlling
   (c) Co-ordination (d) Leadership

4. _____ refers to the systematic evaluation of the functioning of performance and effectiveness of management of an organization.
   (a) Management audit (b) Budgetary control
   (c) Self control (d) MBO

5. _____ was developed by Du Pont Company for the purpose of scheduling.
   (a) PERT (b) CPM
   (c) MBO (d) MIS

6. _____ technique analyses the cost-volume-profit relationship.
   (a) Break-even analysis
   (b) Management audit
   (c) Budgetary control
   (d) Management Information System

7. _____ is the essence of management.
   (a) Delegation (b) Controlling
   (c) Co-ordination (d) Leadership

8. A _____ officer acts as a link between various units or departments of an organization.
   (a) managerial (b) liaison
   (c) communication (d) negotiation

9. In case of _____, all the parties experience a win-win situation.
   (a) co-ordination (b) distributive negotiation
   (c) integrative negotiation (d) attitudinal structuring

10. As long as organizations exist, co-ordination takes place. This is reflected in the principle of _____.
   (a) early beginning (b) continuity
   (c) direct contact (d) scalar chain

Ans: (1) - (a), (2) - (c), (3) - (b), (4) - (a), (5) - (b), (6) - (a), (7) - (c), (8) - (b), (9) - (c), (10) - (b)

II. State whether the following statements are True or False:

1. In case of delegation, the employee is free to either accept or reject the authority delegated to him.
2. By delegating authority to subordinates, the superior is free from the corresponding authority.
3. The control must be suggestive.
4. The purpose of management audit is scheduling of management activities.
5. The supervision and direct control on the part of superiors cannot have any influence on the subordinates.
6. Self control means self directed control.
7. The principle of early beginning implies that the process of co-ordination should begin at an early stage of managerial process.
8. Co-ordination multiplies individual contribution.
9. Reporting and budgeting can be treated as controlling function.
10. There must be unity of command for effective co-ordination.

Ans: True : 1, 3, 6, 7, 8, 9, 10; False : 2, 4, 5

III. Match the columns:

A.

	Column A		Column B
1.	Staffing	(a)	MBO
2.	Delegation	(b)	Committees
3.	Controlling	(c)	Placing the right person at the right job
4.	Co-ordination	(d)	Expressed in numerical terms
5.	Budget	(e)	Formal authority to subordinates

Ans: (1) - (c), (2) - (e), (3) - (a), (4) - (b), (5) - (d)

B.

	Column A		Column B
1.	PERT	(a)	Attitudinal structuring
2.	Self-control	(b)	Highly complex projects
3.	Break-even point	(c)	Line of command
4.	Negotiation	(d)	Higher-level executives
5.	Scalar chain	(e)	No profit no loss

Ans: (1) - (b), (2) - (d), (3) - (e), (4) - (a), (5) - (c)

2 FUNCTIONS OF MANAGEMENT - IV

"The difference between a boss and a leader: a boss says 'Go' – a leader says 'Let's Go'." - E. M. Kelly

- *Concept of Directing*
- *Principles of Directing*
- *Concept of Motivation*
- *Factors Influencing Motivation*
- *Importance of Motivation*
- *Concept of Leadership*
- *Styles of Leadership*
- *Situational Leadership Style*
- *Qualities of a Successful Leader*
- *Successful Business Leaders and Their Contribution in The Field of Management*

CONCEPT OF DIRECTING

Direction is the process of instructing, guiding, leading and motivating human resources to achieve organizational objectives. **Theo Haimann** has defined direction as follows: *"Direction consists*

of the process and techniques utilised in issuing instructions and making certain that operations are carried out as planned."

Direction is not merely issuing orders and instructions by a superior to his sub-ordinates but it includes the process of guiding and inspiring them. Thus, there are three main aspects of direction: motivation, leadership and communication.

- **Motivation:** Motivation involves stimulating and encouraging subordinates so that they work with dedication and commitment to achieve goals of the organization. To motivate employees, the management must provide monetary and non-monetary incentives.
- **Leadership:** Leadership is an act of influencing subordinates to work willingly towards the attainment of shared goals.
- **Communication:** Communication involves transfer of messages from one person to another. effective communication takes place only when the message is clearly understood and proper feedback is received or proper action is taken.

Features of Directing

Direction has the following features:

1. **Objective-oriented:** Every organization needs to have specific and well-defined objectives. The departmental managers direct their subordinates to achieve their department goals. The individual goals must be in line with the departmental goals and the departmental goals must be in line with the overall objectives of the organization. Thus, while directing the subordinates, the managers must focus on achieving the overall objectives of the organization.
2. **Continuous Process:** Directing is continuous in nature. The managers direct the activities of the subordinates. The activities are directed as long as the organization exists. Thus, it can be said that directing is not just one-time process.
3. **All Pervasive:** Directing is applicable to not only business organizations but also non-business organizations such as

educational institutes and charitable trusts. The function of directing is performed at every level of management i.e. top level, middle level, and lower level.

4. **Unity of Command:** A subordinate should receive orders and instructions from only one superior. In turn, the subordinate should report only to one superior. If there is unity of command in the organization, everything will be in place and the activities will be carried out smoothly.

5. **Unity of Direction:** The manager should give the same directions to all the employees doing similar activities. A particular activity must be directed with the help of a single plan. In the absence of unity of direction, there would be confusion and chaos among the employees.

6. **Aspects of Directing:** While managers direct their subordinates, it mainly involves three main aspects:

   - Leading
   - Communicating
   - Motivating

7. **It is an Art:** Directing is a creative function. It is an art because the managers use their creativity and judgement is issuing orders and instructions to their subordinates. They should know:

   - Whom to issue orders and instructions?
   - When to issue orders?
   - When to issue instructions?

8. **It is a Science:** Directing is a science as well. Science is a systematic body of knowledge. The managers can perform directing function only when they have the right information with them. This information should be accurately analysed so that they can direct the right subordinates at the right time.

9. **Scalar Chain:** It refers to the line of command that flows from the top level to the lowest level in the organization. Normally,

orders and instructions are given by the top level managers to the middle level managers and the middle level managers give orders and instructions to the lower level managers and they in turn give to the shop floor employees.

10. **Involves Delegation:** When the superior directs the subordinates, it may involve delegation of authority. Delegation is a process by which a superior transfers formal authority to his subordinate. While delegating authority, the superior has to be careful with respect to :

- Whom to delegate?
- When to delegate?
- To what extent to delegate?

PRINCIPLES OF DIRECTING

The principles of directing are as follows :

1. **Principle of Directing Objectives:** A manager should clearly state the objectives of the organisation. He should also state the role of the subordinates to achieve the objectives. If the objectives are well-defined, there will be greater contribution of subordinates to achieve organisational goals.

2. **Principle of Leadership:** Effective direction is possible if the managers adopt an appropriate style of leadership. A manager may follow :

- Autocratic leadership style
- Consultative leadership style
- Participative leadership style

3. **Principle of Communication:** A manager should effectively communicate the policies, procedures and plans of the organisation/department. He should tell the subordinates what to do and should also ensure that they know what is expected of them.

4. **Principle of Harmony of Objectives:** A manager must direct his subordinates in such a way that the individual goals are in harmony with organisational objectives. There should be proper integration of individual and organisational interest.

5. **Principle of Unity of Direction:** The activities which have the same objective should be directed by only one manager using one plan. In other words, there should be 'one head and one plan' for activities having the same objective.

6. **Principle of Direct Supervision:** It is essential to have personal or direct contact with subordinates. Direct supervision facilitates:

   - Immediate feedback
   - Better communication
   - Better relations, etc.

7. **Principle of Participation:** Effective direction can be achieved by involving subordinates in decision-making process. Participation of employees in decision-making result in easy acceptance and execution of decisions. It develops a sense of belongingness and commitment to the organisation.

8. **Principle of Follow-up:** Proper direction requires an effective and efficient control system. Follow-up helps to identify shortcomings in the organisation and accordingly corrective measures need to be taken.

CONCEPT OF MOTIVATION

The term *'motivation'* has been derived from the word *'motive'*. Motive refers to the inner drive or intention that makes a person to do something or to behave in a certain way.

In the words of **Michael Jucious** *"Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get a desired reaction."*

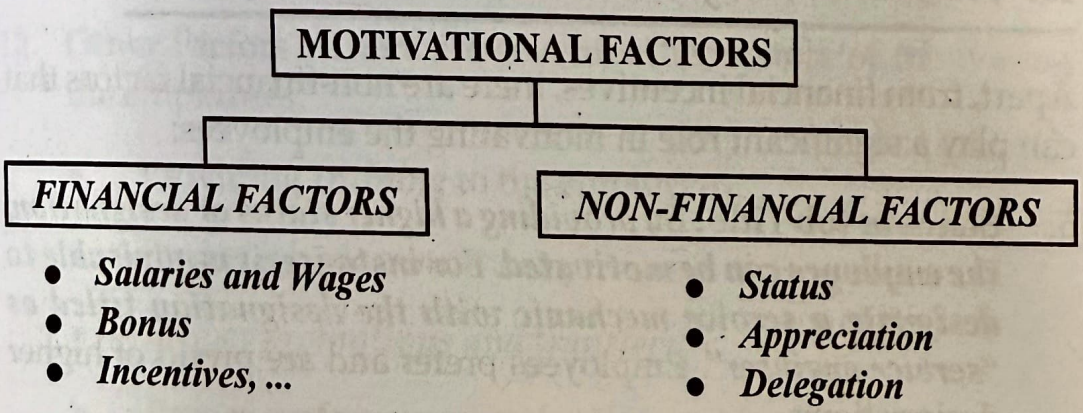
According to **Steven L. Mcshane & Mary Ann**, *"Motivation refers to the forces within a person that affect his or her direction, intensity & persistance of voluntary behaviour".*

Thus, it can be said that motivated employees are willing to exert a particular level of effort (intensity), for a certain amount of time (persistance), toward a particular goal (direction).

FACTORS INFLUENCING MOTIVATION

Clarence Francis, the former Chairman of General Foods (USA) once remarked *"You can buy a man's time; you can buy a man's physical presence at a given place..... but you cannot buy his initiative, you cannot buy loyalty, ... you have to earn these things."*

There are several factors that motivate a person to work. The motivational factors can be broadly divided into two groups as follows:



I. *Monetary (Financial) Factors*

1. **Salaries or Wages :** Salaries or wages is one of the most important motivational factors. *Reasonable salaries must be paid and on time. While fixing salaries, the organisation must take into consideration a number of factors such as :*

   - *Cost of living.*
   - *Company's ability to pay.*
   - *Capability of the employee,* etc.

2. **Bonus :** *It refers to extra payment over and above salary given to an employee as an incentive. The employees must be given adequate rate of bonus.*

   Normally, bonus is paid once in a year. However, now-a-days, some organisations pay monthly bonus along with their monthly pay. Bonus does motivate the employees to a certain extent to perform better.

3. **Incentives :** *The organisation may also provide additional incentives, such as medical allowance, leave travel allowance, house rent allowance, educational allowance, recreation allowance, and so on.*

4. **Special Individual Incentives :** The company may provide special individual incentives. Such incentives are to be given to deserving employees for giving valuable suggestions, or for special efforts on the part of the employee.

II. *Non-monetary (Non-Financial) Incentives*

Apart, from financial incentives, there are non-financial factors that can play a significant role in motivating the employees:

5. **Status or Job Title :** *By providing a higher status or designation, the employee can be motivated. For instance, it is advisable to designate a service mechanic with the designation titled as "service engineer".* Employees prefer and are proud of higher designations.

6. **Appreciation and Recognition :** *Employees must be appreciated for their services. The praise should come not only from the immediate superior but also from higher authorities, especially in the case of special achievement.*

7. **Delegation of Authority :** Delegation of authority motivates a subordinate to perform the tasks with dedication and commitment. *When authority is delegated, the subordinate knows that his superior has placed faith and trust in him, and as such he may be devoted to his job.*

8. **Working Conditions :** ***Provision for better working conditions, such as good lighting, good ventilation, proper sanitation,*** air-conditioned rooms, proper plant or office layout, compact and convenient machines and equipment, proper rest pauses, etc., motivates the employees.

9. **Job Security :** Guarantee of job security or lack of fear of dismissal, etc., can also be a good way to motivate employees. ***Employees who are kept temporarily for a long time may be frustrated, and they may leave the organisation.***

10. **Job Enrichment :** Job enrichment involves providing more challenging tasks, and responsibilities. For instance, an executive who is involved in preparing and presenting reports of performance, may also be asked to frame plans. This would make the job of the employee more meaningful and satisfying.

11. **Workers Participation :** Inviting the employee to be a member of the quality circle, or a committee, or some other form of employee participation can also motivate the work-force.

12. **Other Factors :** There are several other factors of motivating the employees:

- Providing ***training*** to the employees.
- Proper job ***placement.***
- Proper ***promotions and transfers.***
- Proper ***performance evaluation*** and feedback, etc.
- Flexible ***working hours,*** if possible.
- Proper ***welfare facilities*** such as canteen, recreation centers, etc.

IMPORTANCE OF MOTIVATION

Motivation offers several **advantages** to the organisation and to the employees. The various advantages are explained as follows:

1. **Higher Efficiency :** Efficiency is the relation between returns and costs. When employees are properly motivated, they can produce the best possible returns at the lowest possible cost. This is because of optimum utilisation of resources by the subordinates.

2. **Reduces Absenteeism :** Proper motivation of employees reduces absenteeism. Motivated employees feel a sense of belonging towards the organisation. Therefore, their absenteeism is reduced to a greater extent. When employees are not motivated, they find excuses to remain absent.

3. **Reduces Employee Turnover :** Proper motivation of employees reduces employee turnover. When employees are provided with job security, and adequate incentives they may not leave the organisation. There are cases where efficient employees are tempted by rival organisations with lucrative offers, but they do not leave but stay with the organisation because of loyalty to the company.

4. **Improves Corporate Image :** Satisfied employees are more loyal to the company. They work with a sense of commitment and dedication. This results in better relations with the public, the shareholders, clients, and others, which in turn develops good corporate image.

5. **Good Relations :** Motivation reduces labour grievances and disputes. It ensures sound industrial relations between the management and the employees. Motivation results in greater acceptance and compliance of orders and instructions.

6. **Improved Morale :** Morale is the state of mind or willingness to work. Proper motivation results in improved morale of the employees. High morale is required to work with dedication and commitment. Even the best of the employees may create problems or mistakes, if their morale is low.

7. **Reduced Wastages, and Breakages :** Motivated employees take utmost care in handling machines, materials and other resources. This would reduce wastages and breakages. Thus, it results in higher benefits to the organisation. When employees

are not motivated, they tend to deliberately waste materials and may even damage or break machines or equipments.

8. **Reduced Accidents :** When motivated employees work with due care and concentration there are less chances of accidents, even in accident prone industries.

9. **Facilitates Initiative and Innovation :** Satisfied employees find out ways and means to improve the efficiency of the organisation. They provide suggestions to their superiors to improve the quality and to reduce costs. They use their initiative to find out innovative ways and methods in the performance of their operations.

10. **Other Benefits :**

- Increased job satisfaction to the employees.
- Helps to overcome resistance to change.
- Develops positive attitude in the employees.

CONCEPT OF LEADERSHIP

Effective leadership is required to lead and guide the subordinates to perform organisational tasks effectively.

In the words of **George Terry** *"Leadership is the activity of influencing people to strive willingly for group objectives."*

Alford and Beatty define, *"Leadership is the ability to secure desired actions from a group of followers voluntarily, without the use of coercion."*

STYLES OF LEADERSHIP

Every manager develops a style in managing the activities. Such styles vary from leader to leader, from situation to situation, and from organisation to organisation.

In the words of **Edwin Flippo**, ***"Leadership style is a pattern of behaviour designed to integrate organisational and personal interest in pursuit of some objective."***

The main types of leadership styles are as follows:

1. **Autocratic Style :**

An autocrat is the one who takes all decisions by himself and expects to be obeyed by his subordinates. The subordinates have no scope to question the superior. ***Certain points to be noted in this respect:***

- ***The superior makes the decision.***
- ***The superior does not consult the subordinates in decision making.***
- ***The superior is responsible for the decision.***
- ***The relations between superior and subordinates are formal.***

2. **Bureaucratic Style :**

This type of leadership style is more followed in government departments. The bureaucrats often follow rules and regulations in totality. They do not use their discretion, even to do away with mere formalities. They strictly follow the scalar chain principle, even in the case of urgency. ***The following points to be noted:***

- ***The bureaucrat takes the decision by strictly following formalities, or rules and regulations.***
- ***The subordinates are often not consulted.***
- ***The bureaucrat may avoid responsibility.***
- ***The relations between superior and subordinates are formal.***
- This style results in delay and red tapism, and unwanted paper work.

3. **Consultative Style :**

In this type, the leader consults his subordinates before taking a decision. The leader feels that it is always advisable to consult the subordinates. This type of leader is more open minded and would welcome suggestions from the subordinates before making a decision. ***The following points to be noted:***

- ***The superior consults the subordinates before making a decision.***
- ***The subordinates may give their suggestions or comments, which the superior may or may not accept.***
- ***The superior makes the decision.***
- ***The superior is responsible for the decision.***
- ***The relations between superior and subordinates are informal.***

4. **Participative Style :**

The leader not only consults the subordinates, but allows them to take part in decision making. The following points are to be noted:

- ***The superior consults his subordinates before making a decision.***
- ***The leader along with the group take part in decision making.***
- ***Both the leader and the group share the responsibility for making the decision.***
- ***The relations are informal.***

5. **Laissez-faire Style :**

In this style, the leader shares the problem with the group. He acts more as a chairperson in generating and evaluating alternatives in search of group consensus. ***The following points are to be noted:***

- ***The superior allows the subordinates to take decision.***

- *The superior acts more as a guide in arriving at decision.*
- *The superior and the subordinates share the responsibility.*
- *The relations are very informal.*

6. Paternalistic Style :

This style aims at creating a family atmosphere within the organisation. The leader is respected and treated as a father figure by the subordinates. *The following points to be noted:*

- This style is mostly followed in Japanese organisations.
- The leader considers himself as a parent figure.
- *The leader may consult his subordinates.*
- *Mostly the leader takes the decision.*
- *The leader is responsible for decision making.*
- *The relations are very homely.*

This type of style is more suitable in small organisations, where there are a handful of employees, and just one leader or boss. The leader advises, guides, consoles, and helps the subordinates even during their personal hardships.

7. Sociocratic Style :

Sociocrats attempt to run their organisation like a social club. They believe in a warm and pleasant social atmosphere. For them, the interest of the subordinates comes first, and then that of the organisation. *The following points to be noted :*

- *The superior takes a decision by keeping the interest of the subordinates. The interest of organisation may be secondary.*
- *The superior consults the subordinates for decision making.*

8. Neurocratic Style :

A neurocrat is highly task oriented and wants to get the things done at any cost. He is highly sensitive and gets quickly upset at failures. The following points to be noted :

- The leader may be emotional and eccentric.
- The leader may not consult the subordinates in decision making.
- The leader takes the decision.
- The leader is responsible for decision making, but he may shift the responsibility on to his subordinates.

9. **Situational Style :**
Now-a-days, in most well managed organisations, the managers follow situational leadership style. This means, the leadership style varies depending upon the situation. In other words, the leader may be autocrat at times, consultative at times, and participative at times, depending upon the decision and the situation.

SITUATIONAL LEADERSHIP STYLE

Situational approach is also referred as 'situational leadership style'. According to the situational approach, certain techniques including leadership style may work well in a certain situation and not in all situations.

The situational leadership approach recognizes that there exists an interaction between the group and the leader. Leadership is the product of a situation in a particular group. It is assumed that the traits and skills required by a leader will vary from group to group and from situation to situation.

The situational leadership approach supports the 'follower theory' that people tend to follow those whom they have faith and trust, as they feel such leaders would help them to accomplish their own personal desires. The leader, then, is the person who recognizes these desires and makes efforts to meet them.

The situational approach to leadership is important to practicing managers, who must consider the situation when they design an environment for performance. A leader may behave differently depending upon situation.

NEED FOR SITUATIONAL STYLE

No leadership style is good for all times and in all situations. The leader need to adjust his style depending upon :

- The nature of decision or work.
- The type of subordinates, and
- The work environment

WHICH LEADERSHIP STYLE TO FOLLOW?

Normally, in business organisations, leaders follow three main styles:

- Autocratic Leadership Style
- Consultative Leadership Style, and
- Participative Leadership Style

The Situational leadership style is a combination of the above three styles. In other words, a leader may follow autocratic leadership style at times, consultative style at times, and participative style at times, depending upon the situation.

WHEN AUTOCRATIC STYLE IS SUITABLE?

Autocratic Style is suitable when :

- Quick decisions are to be made and the leader does not have enough time to consult his subordinates.
- Subordinates are inexperienced and the leaders do not find it worthwhile to consult the subordinates.
- Adequate powers are given to the leader by the organisation.

WHEN CONSULTATIVE STYLE IS SUITABLE?

This type of style is suitable when :

- The suggestions and comments of the subordinates are vital to making a decision.

- The subordinates are experienced and matured and can provide valuable suggestions.
- There is no urgency of the decision, which allows the leader to consult subordinates.

WHEN PARTICIPATIVE STYLE IS SUITABLE?

This style is suitable when :

- Group decision making is required.
- There are experienced and matured subordinates.
- There is an immediate possibility of opposition from a group of subordinates.

FOR REFERENCE

QUALITIES OF A SUCCESSFUL LEADER

Managers need to be good leaders. A leader according to **Webster's Dictionary** *"is a person who takes charge of or guides a performance or activity."* To be a good leader, one must possess good qualities. The qualities of a leader are stated as follows:

1. **Good Personality :** ***Personality is the sum total of physical, mental and social qualities. Successful leaders do have good personality.*** In fact, the only quality required for leaders is good personality. All other qualities listed below are various aspects of personality.

2. **Intelligence :** ***A leader should have good educational or technical knowledge. He needs to have superior knowledge than that of his followers,*** if not his followers may not respect him. As such the work of the group may be affected.

3. **Initiative :** ***Leaders need to have the quality of initiative. They should be in a position to do the right thing at the right time without being told by others.*** He should be in a position to take appropriate decisions without causing delay.

4. **Innovative :** ***A leader needs to have an innovative mind. He should have the imagination to develop new ideas or new ways in handling the activities.*** Followers expect their leader to be innovative. This is because they like to undertake new and challenging activities.

5. **Self Confidence :** ***A leader must have self-confidence. This will enable him to solve problems and face challenging situations.*** If he lacks self-confidence, then he may not be able to influence his followers.

6. **Communication Skills :** ***Good leaders are effective communicators. He should not only issue orders and instructions, but should ensure that the followers have understood his orders clearly.*** Again, he should clearly understand any communication from his subordinates.

7. **Coach and Guide :** The leader should act as a coach and a guide to direct the efforts of his subordinates. ***As a coach, he may actively direct his followers as to what to do, how to do and when to do a particular activity. As a guide, he may provide advise as and when the followers require to carry out their activities.***

8. **Proper Judgement :** He must be in a position to judge certain situations effectively. He should be in a position to judge the performance of his subordinates. Whenever, there are disputes among his followers, he may play the role of the judge and solve the problems.

9. **Human Skills :** A good leader is the one who commands popular following. And to have good following, the leader

should have good inter-personal skills to understand others. ***The knowledge of human skills is very important to the leader as he constantly interacts with his followers.***

10. **Administrative Skills :** The leader also needs to have good administrative skills. He should have the ability to plan, to organize, to direct, and to control the activities of his group.

11. **Discipline :** A good leader must be disciplined person. If he is disciplined, then he would be in a better position to command discipline of his followers. Discipline often makes a leader dedicated and committed to group goals. Otherwise, he may work for his own self-interest.

12. **Patience :** Most of all, a leader needs to have good patience. He should have patience to take appropriate decisions and not hasty decisions. He also needs patience to listen to the views, opinions, and complaints of his followers.

3 MANAGERIAL OPPORTUNITIES AND CHALLENGES – I

"Time is the scarcest resource and unless it is managed, nothing else can be managed."
- Peter Drucker

- *Concept of Change*
- *Process of Change*
- *Reasons For Resistance to Change*
- *Change Management*
- *Kurt Lewis Change Management Model*
- *Time Management*
- *Need for Time Management*
- *Techniques of Time Management*
- *Murphy's Law with Case Studies*
- *Meaning and Nature of Conflict*
- *Causes of Conflicts*
- *Management of Conflicts*
- *Essential Skills for Conflict Management*

CONCEPT OF CHANGE

A change may be influenced by internal or external factors. Organisational change is any alteration that occurs in the working of an organisation. Changes are introduced in strategies, procedures, objectives, technology, structure, job designs, and people.

The following are the features of organizational change:

1. **Pervasive in nature:** Changes are required in all organisations. No organisation can succeed without a change. A change in one part of the organisation may affect changes in the other parts of the organisation. Some parts of the organisation may be affected more than others. Some parts may have a direct impact, whereas, others may have an indirect impact. Therefore, it is essential for the management to assess implications of any change in the organisation. For instance, the production department may introduce latest machinery to manufacture the products. This would affect a change in the personnel department, as workers would require training to handle the new machines. The marketing department would also require adjustments to market the improved or better quality of products, if any.

2. **Necessitates new equilibrium:** When a change takes place in any part of the organisation, it disturbs the existing equilibrium in the organisation. A change requires the need for new equilibrium in the organisation. The new equilibrium depends on the degree of change and its overall impact on the various parts of the organisation.

3. **Continuous in nature:** Organisational change is a continuous in nature. As long as the organisation exists, there would be changes. Some changes may be of minor ones, which can be absorbed by the existing set-up, whereas, some other changes may be major ones, which would require adjustments in the existing set up.

4. **Reactive and Proactive:** A change may be reactive or proactive. A reactive change is unplanned and it takes place due to change

in the environment. For instance, a major competitor may change its marketing strategy; such as it may resort to aggressive advertising and sales promotion techniques. This would require a reaction from the organisation, i.e., it may also resort to changes in its marketing strategy.

Proactive change is the deliberate attempt on the part of the organisation. It involves deliberate design and implementation of a structural innovation, a new policy or goal, or a change in operating philosophy, organizational culture, or style.

5. **Change is different from innovation:** Change and innovation are two different concepts. All innovation is change, but not every change is innovation. Innovation takes place when an organisation exploits an idea to introduce a new and innovative product, to develop a new technique, method, process, etc. However, change involves any alteration or modification in an organisation's established way of doing things.

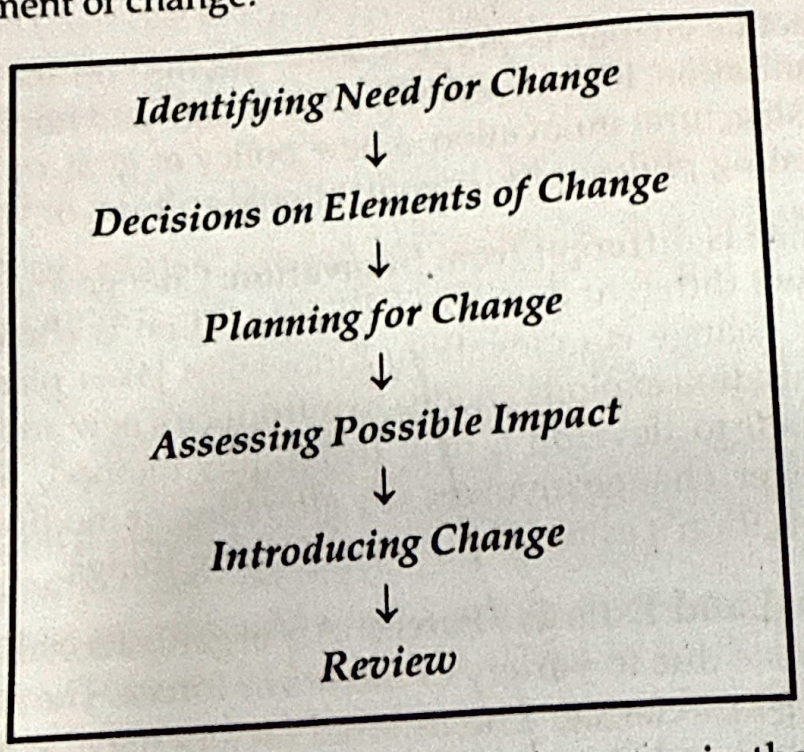
6. **Internal and External Forces:** An organizational change can take place due to variety of factors or forces. The forces can be internal or external. The internal factors may be in respect of management-labour relations, management policies, working conditions, management philosophy, etc. The external forces relate to competition, government, customers, suppliers, dealers, etc.

7. **Degree of Change:** Changes may differ in terms of degree. Some changes may require massive restructuring in the organisation, such as changes due to mergers, takeover, etc. Certain changes may be minor, which may not require changes in organisation structure. For instance, changes in 'credit policy of the firm'.

8. **Risks and Rewards:** Changes are subject to risks and rewards. When changes are introduced, and the changes bring positive outcome, the organisation may get the rewards in terms of higher performance or results. At times, changes may result in negative outcomes due to the risk involved in respect of certain changes. For instance, launch of new product may turn out to be a big disappointment.

PROCESS OF CHANGE

The following are the various steps involved in the planned process of management of change:



1. **Identifying Need for Change:** The first step in the process of management of change is to identify the need for a change. Often a need for a change arises due to ***forces in the external environment***, such as technological developments, changes in competitors' policies and strategies, changes in government policies, changes in customers' tastes and preferences, etc.

   Internal factors may require a change in the organisation. For instance, a firm may witness high costs of production, high maintenance costs, fall in sales, decline in profits, increase in employee grievances, increase in absenteeism, increase in wastages of materials, increase in labour turnover, etc. Therefore, such factors may force the management to introduce a change in the organisation.

2. **Decision on Elements of Change:** After identifying the need for a change, the management must decide on the elements which require a change. For instance, a company's sales may decline due to :

- Faulty ***promotion*** – inadequate or improper advertising, inadequate or faulty sales promotion, etc.
- Defective ***pricing policies*** – the price may be too high as compared to that of the competitors, or it may be too low and buyers may equate too low price to low quality.
- Problems in ***distribution*** – poor dealers' relationship, delay in distributing the products, wrong channels of distribution, etc.
- Problems in the ***product*** – the product may be outdated; it may not meet the expectations of the customers, problems in the quality of product, etc.

After conducting a proper analysis of the problem, the management should identify those factors or elements that require a change. For instance, if the cause of fall in sales is due to faulty pricing, then the pricing strategy of the firm needs modification. Such a change can be easily introduced by the firm.

However, if the cause of fall in sales is due to problems in the product, then major changes are required such as changes in the technology, development of skills to handle the new technology, changes in job design, changes in the production processes, etc.

3. **Planning for Change:** After identifying the elements that require a change, the management should plan for a change. Planning for a change need to answer the following questions:
   - Who should introduce a change?
   - When to introduce a change?
   - How to introduce a change?

As far as the ***first question*** is concerned, the changes are to be introduced by the manager who is responsible for the tasks where changes are required. For instance, if a change is required in the pricing strategy, then the marketing manager is

responsible for such changes. However, the marketing manager may consult the higher authorities, such as chief executive, if major changes are required in the pricing of the products.

As far as the ***second question*** is concerned, a proper decision is required regarding the timing of the changes. Sometimes, changes need to be incorporated immediately without any delay, and at times, changes are required at a later date. For instance, if sales are falling down as a result of changes in competitor's pricing, or sales promotion activities, then it makes sense to introduce such changes immediately.

However, if the sales are declining due to problems in the quality of the product, then it would require changes in technology, training of employees to develop skills to handle new technology, obtaining of funds to finance the purchase of technology, etc. All these activities would require a good amount of time. This does not mean that the management should delay in taking decisions.

The ***third question*** relates to the procedure of introducing a change in the organisation. The management should decide on the sequence of activities and the manner in which the activities to be undertaken. For instance, if sales are to be improved through higher advertising, then the management should decide as to who should handle the advertising campaign and other related aspects such as booking of time and space in the media, whether it should be handed over to a professional advertising agency or whether it can be done in-house.

4. **Assessing Possible Impact:** The management should also assess the impact of the change on the stakeholders such as employees, customers, etc.

For instance, introduction of new technology may have a direct impact on the workforce :

- Reduction in workforce.
- Problem of social networking
- Need for additional training

5. **Communicating the Change:** The management must communicate the change to the various stakeholders. For instance, if there is change in the price of goods, the management must inform to the customers, dealers, sales-force and other concerned parties. Wherever required, reasons must be provided for introducing the change.

6. **Overcoming the Resistance to Change:** At times there may be resistance to change. For instance, employees may resist automation for the fear of retrenchment, problem of adjustment to new technology, etc. Therefore, in such situation, employees need to be counselled and trained to adjust to the new environment in the organisation.

7. **Introducing a Change:** The management introduces the change after communicating the change and on overcoming the resistance, if any.

According to Paul O'Neill, introduction of a change involves a three-step procedure:

- *Unfreezing* means that the ***old ideas and practices need to be kept aside*** so that new one can be learned. This is because; the old ideas and practices may be irrelevant or inadequate to meet the demands of the new situation. The management must help employees to clear their minds of old roles and old practices, so that they accept and adopt new ideas and practices.

- *Changing* means the ***new ideas and practices are accepted and learnt by the employees.*** This step involves helping an employee to think; reason and perform in new ways. The management needs to provide proper guidance and training to the employees to develop knowledge and skills to handle the new ways of doing things.

- *Refreezing* means the ***new techniques which are learnt is put into practice.*** Merely knowing a new technique is not enough to ensure its use, there is a need to have a proper attitude on the part of the employee to adopt and implement the change. Successful on-the-job practice is the ultimate goal of the refreezing step.

8. **Review:** There must be a review to ensure that the change is progressing in the right direction. The change should bring the desired results. For this purpose, the management should constantly monitor the performance of the change process. If there are any problems due to the change, then such problems should be handled immediately. The timely identification of problems and appropriate solutions to such problems will enable the change to bring the desired results in the organisation. If the change process does not bring the desired results, in spite of the best possible efforts, then the management should rethink about the change, and new changes may be introduced.

REASONS FOR RESISTANCE TO CHANGE

Some employees may not welcome change. Resistance to change is found at individual level as well as at organizational level.

I. At Individual Level

1. **Habit:** A habit can be a source of comfort, security, and satisfaction for individuals because it allows them to adjust to the world and cope with it. Habitual jobs are well-learned and when they are confronted with change, the employees tend to resist. A change in habitual jobs or programmed jobs poses a challenge to the employee to develop new skills. This definitely makes the employee at unease and discomfort.

2. **Security:** People with a high need for security are likely to resist change because it threatens their feelings of safety. If the management announces automation and mechanisation in the organisation, many employees may fear that their jobs are in jeopardy.

3. **Economic Reasons:** The changes that might lower the employees income is certainly expected to be resisted. Changes in established work routines or job duties may threaten their economic security. Employees may fear that, after changes are

made, they won't be able to perform well, especially when pay is closely tied to productivity.

4. **Fear of the Unknown:** Confronting the unknown makes most people anxious. Each major change in a work situation carries with it an element of uncertainty. Employees in the organisation dislike uncertainty. Employees may be so anxious and threatened by change that they refuse promotions that require moving to a new location or significant shifts in job duties and responsibilities.

5. **Perception:** People selectively perceive those things that fit most comfortably to them into their own world. Individuals resist change to keep their perceptions intact. Thus, they resist change by :

   - Reading or listening only to what they agree with.
   - Conveniently forgetting any knowledge that could lead to other viewpoints.
   - Misunderstanding communication (if correctly understood, wouldn't fit their existing attitudes and values).

6. **Threat to Social Relationships:** As people work within organisations, they form strong bonds with their co-workers. Many organisational changes may threaten the integrity of friendship groups, which provide valuable social rewards.

7. **Personality:** Some aspects of an individual's personality may result in resistance to change. For instance, a highly dogmatic individual is close-minded and more likely to resist change than is a less dogmatic person.

8. **Threat to Power and Influence:** Some people in organisations may view change as a threat to their power or influence. Once a power position has been established, individuals or teams often resist changes that they perceive as reducing their ability to influence others. Novel ideas or a new use for resources can disrupt the power relationships among individuals and departments in an organisation and therefore are often resisted.

II. At Organisational Level

9. **Organisation Design:** Organisations need stability and continuity inorder to function effectively. Thus, the organisations need to undertake scientific selection process, systematic training programmes, formalisation of activities and so on. The use of rigid design narrows the focus on authority and responsibility and communication channels. A rigid design causes resistance to change. Thus, more flexible and adaptive organisations should be designed to reduce resistance to change.

10. **Organisational Culture:** Organisational culture plays a key role in change. Cultures are not easy to modify and may become a major source of resistance to change. If the organisation believes in traditional management philosophy, the employee may not take up the new and better opportunities.

11. **Resource Reallocation:** Changes in established resource allocation may result in resistance to change. Some groups in the organisation control sizeable resources and hence they consider resource reallocation as a threat. These groups are satisfied with the way things are. They may be benefitted more by current resource allocation and hence may feel threatened by future resource allocation.

12. **Limited Focus of Change:** Organisations are made up of a number of interdependent subsystems. A change in one system or department affects the other sub-systems or departments. For instance, introduction of latest machines in production department results in changes in the human resource department and sales department. If the organisation has a limited focus of change, then, the organisation may resist the entire change process.

13. **Threat to Established Power Relationships:** A change from centralised authority to decentralisation may be another reason for resistance to change. The introduction of participative decision-making or self-managed work teams is the kind of change that is often seen as threatening by supervisors and middle level managers.

14. **Previously Unsuccessful Efforts:** If the organisation has failed previously to introduce change successfully, then, it may resist similar changes, for the fear of failure again.

CHANGE MANAGEMENT

A manager may manage change in the organisation through the following methods:

1. **Use of Group Forces :** It is easy to change group behaviour than individual because group can bring pressure on individuals to change. The power of the group to initiate change depends upon attachment of individuals to the group. More the attachment the greater the influence on members. Groups are willing to accept any change if it doesn't disturb the group's social system.

2. **Providing a Rationale for Change :** Change can be introduced without opposition by :

   (i) Creating a psychological climate suitable for change.

   (ii) Change should be introduced on impersonal requirements rather than on personal grounds.

   (iii) Change should be introduced with objective explanation.

   (iv) Leaders should have confidence and high expectations of success. Both leader and followers must have positive attitude towards the result of change.

3. **Participation :** Employees should be encouraged to participate in change process because with participation resistance to change decreases. Therefore, employees should be encouraged to discuss, to communicate, to make suggestions and to become a part of change.

4. **Shared Rewards :** Employees would oppose change if it brings losses, displeasure and inconvenience. A change will get good response if it ensures rewards, incentives and good future. Such

rewards and incentives be offered immediately after the change is introduced. Otherwise people lose faith and interest in the system.

5. **Employee Security :** It means ensuring :

   (i) Benefits of existing employees.

   (ii) Guarantee of job security and pay protection.

   (iii) Every employee's seniority, promotion and other monetary and other benefits be protected.

   (iv) Proper grievance system be introduced to solve individual complaints.

6. **Communication and Education :** Resistance can be reduced through communicating to employees about the logic of change. It is believed that due to mis-information or improper communication employees are tempted to resist any change. When employees receive full facts and factual data, the misunderstanding is cleared and resistance subsides. For better communication, one-to one discussions, group discussions or reports and charts can be used.

7. **Stimulating Employee Readiness :** Change is more likely to be accepted if people affected by it recognise a need for change. Resistance will be reduced if employees are convinced about the need to change.

8. **Working With The Total System :** The management should introduce following guidelines for bringing change:

   (i) Make only necessary and useful change.

   (ii) Introduce change gradually and not suddenly.

   (iii) Anticipate the possibility of resistance and take corrective steps before employees resist.

   (iv) Reward and share benefits of change with employees.

(v) Take a broader, system-oriented perspective on change to identify the complex human relationships involved.

9. **Negotiation :** It is necessary when resistance comes from a strong and powerful group or individuals, a specific reward or incentive can be offered to minimise resistance.

10. **Manipulation and Co-option :** Manipulation means distorting facts, withholding undesirable information, creating false rumours to make employees accept the change. Co-optation means involving leaders of resistance group in the decision process of change. Since, leaders are endorsing change decision, resistance is reduced.

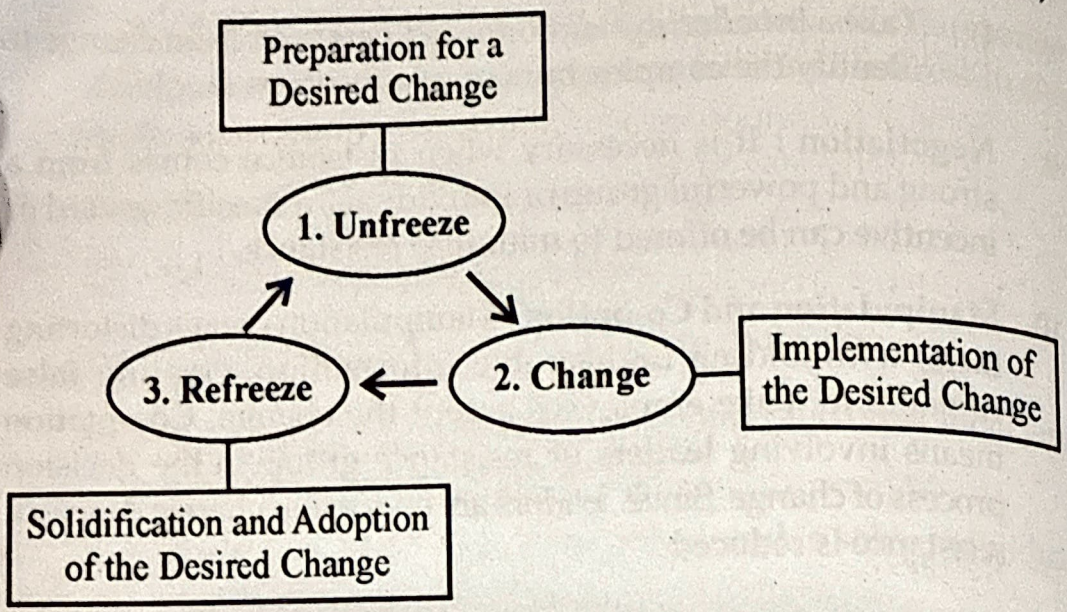
KURT LEWIS CHANGE MANAGEMENT MODEL

Kurt Lewis three-stage change management model was developed in 1951. The model focuses on balancing the restraining forces and the driving forces, which results in managing organizational change in three stages.

- The ***restraining forces*** are those forces that believe in status quo. Most individuals are satisfied with their present routine of work environment. They feel that a change would require certain adjustments in the current pattern of life and work and therefore, the individuals resist change.

- The ***driving forces*** are those factors that pushes the organization towards a desired change. These forces steer and motivate the organization to a new state. These factors could be growth and expansion plans of the organization, problems in existing practices, change in management philosophy, etc.

Kurt Lewis suggests that it is important to balance restraining forces and driving forces for effective change management. The following three stages can be adopted in the change management model:



1. Unfreeze:

This is the first stage in the change management model. In this stage, the organization prepares for the change process. The organization appoints the change leaders and change champions who communicates with the stakeholders about the reasons and benefits of the change. They bring support for the desired change. They provide a strategic change vision and the change outcome to the stakeholders.

Some of the important aspects that are required to be considered during this stage are:

- Assess the existing practices and structures and identify the reasons for the change.
- Designing motivation strategies to steer the employees toward the change process.
- Addressing employee concerns and mitigating restraining forces of change.

2. Change:

The second stage in the change management model is the implementation of the change. At this stage, continuous employee engagement and strong leadership act as important pillars for successful change management. Organizations should bring awareness about the change process and the

favourable outcomes through regular workshops and interaction sessions.

Some of the important aspects that are required to be considered during this stage are:

- Clarify any misunderstandings that the employees may have about the desired change.
- Involve employees in the change management process.
- Show quick results which motivates the employees to support the change process.

3. **Refreeze:**

This is a final and the last stage in the change management process. This is the stage of solidifying and stabilizing the change in the organisation. The new practices become the normal practices of the organisation. In other words, the employees accept the new practices as status quo. The organisation should continue the training and clarification sessions so that the change is reinforced and that the employees do not revert to the old systems and structures.

Some of the important aspects that are required to be considered during this stage are:

- Obtain regular employee feedback about the change
- Offer rewards to early change adopters
- Measure success due to the change adopted

TIME MANAGEMENT

Time is a unique resource. It is irreversible. It is the most valuable resource available to a person.

Time management is a personal choice of how we use or manage our time - whether to randomly move from one task to another without direction or planning, or to plan our daily activities. Time management results in more productive use of time and ability to

accomplish much more in the same amount of time. Time management is really self management.

The *objectives* of time management may be:

- To increase and optimize the use of one's discretionary time.
- To use time to achieve one's objectives by working smarter rather than harder.

The value of time management lies in the fact that people have too many tasks they need to do but not enough time for the things that they want to do. Time management helps to identify needs and wants in terms of their importance and matches them with time and other resources.

The area of time management is rapidly becoming more important both to the individuals and to the corporates. **Peter Drucker** feels the best way to increase an individual's effectiveness is to improve the utilisation of his time.

Effective time management benefits the organisation in the following ways:

- Saves the costs of the projects.
- Effective use of human resource in the organisation, which helps to increase efficiency and productivity.
- Helps to meet the objectives of the organisation efficiently.
- Helps to focus on important long run managerial activities, rather than short-run issues.
- Improves job-related interpersonal activities.
- Reduces tension, anxiety and stress, and better physical and mental health.

NEED FOR TIME MANAGEMENT

Many of us find ourselves in a hurry because we are constantly for appointment or engagement. All the delay is mainly caused by

inappropriate management of time, which is why we are always in a hurry to complete a task or to make it on time for a prior engagement.

Issues in Managing our Time :

1. **Shifting Priorities and Crisis Management :** Crisis management is actually the form of management preferred by most managers. The irony is that actions taken prior to the crisis could have prevented it in the first place.

2. **The Mobile Phone :** The mobile phone is our greatest communication device, but can be a biggest time waster, if we do not know how to control its use.

3. **Unplanned Activities :** An unplanned schedule is mainly responsible for misusing time. Those who have clear goals have a better idea of the activities to be done. Unfortunately many of us do not have clear day-to-day planning. This results in wasting too much time on unnecessary things.

4. **Attempting too many things :** Many people feel that they have to accomplish too many things. Thus, they do not give enough time to do things properly leading to half finished projects.

5. **Drop in Visitors :** Quite often, one gets drop-in-visitors including colleagues, boss and others who may take too much of your precious time. The key is to deal with interruptions and continue working.

6. **Ineffective Delegation :** The best managers have an ability to delegate work to staff and ensure that it is done correctly. However, most managers do not delegate effectively and finally lands in wasting the time of the subordinates as well as that of his own.

7. **The Cluttered Desk :** At times, the desks of some managers are cluttered with files, papers, memos, etc. It indicates that such people form 'Desk Stress'. The most effective managers work on clear desks.

8. **Procrastination :** The biggest time waster is not decision-making but decision avoidance. By reducing procrastination, one can substantially increase the amount of active time.

9. **The Inability to Say 'No' :** A good number of people lack the skill to say 'No', for the fear of uspsetting people. This lands up in doing unnecessary activities.

10. **Meetings :** It is estimated that an average manager spends about 17 hours a week in attending meetings. A lot of time can be saved if meetings are planned and only - relevant matters discussed.

All these issues result in wasting time and therefore, it is important to manage time effectively.

TECHNIQUES OF TIME MANAGEMENT

There are several techniques of time management, which are explained as under:

1. **Define Goals Clearly:**

   Most successful people have clearly defined written goals. The goals must be reviewed constantly. Without a goal, people tend to just drift personally and professionally.

   The employees may set:

   - Short-term goals, which may be weekly
   - Medium-term goals, which may be for few months
   - Long-term goals, which may be for a year

2. **Plan Activities:**

   One cannot achieve goals without a plan. The monthly or yearly plan may be reviewed daily or weekly and reset the plan as your achievements are met.

3. **Analyse the Use of Time:**

   Analysis of use of time will help to focus on important tasks.

One should stop reacting to tasks, which seem urgent or pleasant to do, but carry no importance to one's goals.

4. **Action Plan Analysis:**

Problems do occur. The value of a good plan is to identify them early and seek out solutions. Good time management enables you to measure the progress vis-a-vis the goals or targets, because what one measure, one can control it, if required. Always one should try to be **proactive**.

5. **Avoid Procrastination:**

The biggest time waster is not decision-making but decision avoidance. By reducing procrastination, one can substantially increase the amount of active time. Procrastination is a tendency to delay or unreasonable postpone a task. It is a habit that affects time management and in turn affects employee productivity. Brain Tracy, a motivational speaker suggested to 'eat that frog' first as an important task prioritizing strategy. This means that in order to tackle procrastination, complete the difficult, frustrating or tedious tasks so that the remaining part of the day is easy to manage.

6. **Prioritization:**

Prioritization helps to make effective use of time. Employees should create a to-do list on daily or weekly basis so as to organize the tasks in the order of priority. This helps the employees to focus on important tasks.

7. **Limit Distractions:**

There are many time wasters that act as distractions. For example, emails, social media, co-workers, random thoughts, etc. The employees may find this difficult to control; but an awareness about it in terms of the amount of time wasted in all of these may bring in dedicated efforts to limit these distractions. When doing an important task, the employees may schedule breaks, which is when these distractions may be attended.

8. **Eisenhower's Urgent-Important Matrix:**

The Eisenhower's Urgent-Important Matrix enables to prioritize and sort the urgent and important tasks of the employees.

The Eisenhower's Decision Matrix is shown below:

	Urgent	*Non-Urgent*
Important	**DO**	**DECIDE**
Not Important	**DELEGATE**	**DELETE**

The employee needs to ask two questions for each task:

- Is the task important/not important?
- Is the task urgent/not urgent?

On receiving the answers as 'yes' or 'no', the employee may place that task in the appropriate quadrant.

- For the tasks which are important and urgent, will be in DO quadrant. The employees must do the tasks immediately.
- For the tasks which are important and not urgent, will be in DECIDE quadrant. The employees must schedule these tasks for a later date.
- For the tasks which are urgent and not important, will be in DELEGATE quadrant. The employees must delegate these tasks to their subordinates and/or colleagues.
- For the tasks which are not urgent and not important, will be in DELETE quadrant. The employees must delete or remove them from the task list completely or till the time they become urgent or important.

9. Be Committed:

One should be committed to use time management techniques into day-to-day activities. By setting clear goals and eliminating time wasters, one may get extra active time for productive activities.

10. **Use of Technological Applications:**

Nowadays, there are many new technology platforms that help to manage time. The time management tools are:

- ***Time trackers,*** which records the log in and the log out time of the employees so that the time spent on the tasks is understood.
- ***Productivity apps*** enables the employees to focus on productive tasks and blocks unproductive activities. These applications provide feedback on productivity of the task performed by the employees.
- ***Online calendars*** facilitate managing employee projects, where the employee can have the entire project details at a centralized location. This involves project timelines and schedules with the project descriptions.

MURPHY'S LAW WITH CASE STUDIES

Murphy's Law has a maxim that "If something bad can happen, it will happen." In other words, the basic premise of the law is ***"Anything that can go wrong, will go wrong."*** If there is a possibility of several things going wrong, the one that will cause the most damage will be the one to go wrong. The law has a pessimistic approach, and the focus is on the likelihood that something negative will happen. It is not a scientific law, but a tendency of certain people to attribute the events to the universal law.

Captain Edward A. Murphy is credited to the Murphy's law: Captain Murphy was an air force engineer who took part in a deceleration test at Edwards Air Force Base in California in 1949. During the check, Captain Murphy discovered that all 16 deceleration sensors had been improperly mounted. Each sensor could be mounted in two ways, and the sensor was incorrectly mounted in either case. Basically, if anything could go wrong, that is what it did. Murphy said something to that effect, others echoed it, and the theory has since become more widely known as Murphy's Law.

10. **Use of Technological Applications:**

Nowadays, there are many new technology platforms that help to manage time. The time management tools are:

- ***Time trackers,*** which records the log in and the log out time of the employees so that the time spent on the tasks is understood.
- ***Productivity apps*** enables the employees to focus on productive tasks and blocks unproductive activities. These applications provide feedback on productivity of the task performed by the employees.
- ***Online calendars*** facilitate managing employee projects, where the employee can have the entire project details at a centralized location. This involves project timelines and schedules with the project descriptions.

MURPHY'S LAW WITH CASE STUDIES

Murphy's Law has a maxim that "If something bad can happen, it will happen." In other words, the basic premise of the law is ***"Anything that can go wrong, will go wrong."*** If there is a possibility of several things going wrong, the one that will cause the most damage will be the one to go wrong. The law has a pessimistic approach, and the focus is on the likelihood that something negative will happen. It is not a scientific law, but a tendency of certain people to attribute the events to the universal law.

Captain Edward A. Murphy is credited to the Murphy's law: Captain Murphy was an air force engineer who took part in a deceleration test at Edwards Air Force Base in California in 1949. During the check, Captain Murphy discovered that all 16 deceleration sensors had been improperly mounted. Each sensor could be mounted in two ways, and the sensor was incorrectly mounted in either case. Basically, if anything could go wrong, that is what it did. Murphy said something to that effect, others echoed it, and the theory has since become more widely known as Murphy's Law.

The basic essence of Murphy's is that there is quite an uncertainty in the occurrence or non-occurrence of events. No matter how much meticulous preparation is undertaken, there is always a possibility that something or the other unforeseen will occur.

Some of **examples** of Murphy's law in our daily life are:

1. During an important presentation, the employee has prepared well, yet there could be technical glitches, where the projector suddenly stops working, the internet fails and to top it all, there could be a power failure.

2. During the train travel, the person is already late for the train that he/she has to board. When he/she goes to ticket counter to buy the ticket, there long queues at the ticket counters. The person joins one of the queues and finds that the queues other than he/she has joined are moving faster than his/her. Finally reaching the ticket counter, he/she has to struggle to get the exact change to pay for the ticket.

3. Some important guests are be invited for lunch. Even though the presence house help cook has been double checked, he/she is not able to help on the day because of his/her family emergency. There is also a sudden stop of gas supply since the gas pipeline leak was found out, which needs to be fixed immediately.

Though Murphy's law holds a pessimistic perspective, it has certain benefits to this approach. These **benefits** are stated as under:

1. **Contingency Planning:**

   Contingency planning is deciding in advance a particular course of action to enable the organization to respond to an event that may or may not happen. In case of contingency planning, if the primary Plan A does not work, Plan B should be in place. Contingency planning are the preventive measures taken by the organization so that minimum disruptions take place in the event of any failure or breakdown. This shows the preparedness of the organization in case of any eventualities, hence making the organization resilient.

2. **Continuous Learning and Development:**

Murphy's law may bring setbacks in employee performance. However, the employee will grow, when the employee is willing to learn from these setbacks. The employee should identify the reasons for the failure and value the lessons learnt from the failures. Thus, the employees shall experience continuous learning and development through adaptability and problem-solving skills.

3. **Creativity in Decision-making:**

While considering Murphy's law, there is uncertainty where the situation may change or not. Thus, managers are required to be creative in decision-making to develop newer and better solutions in case of disruptions. The creative approach to decision-making looks at problems and alternatives from diverse perspectives. It encourages lateral thinking. It raises several questions and tries to find solutions to them. It puts forward unconventional and unusual ideas for solving problems or to deal with certain situations.

4. **Positive Attitude:**

Positive attitude shall help the employee to deal with Murphy's law. With positive attitude, the employees view situations with optimistic approach and that helps to deal with the negative events. The employees remain hopeful and see the best even in difficult times. A positive mindset will make the employees focus on the good things that happened in their life and to be grateful for them.

5. **Time Management:**

During any important events and projects, the employees may consider the worst-case scenario and accordingly allocate the time for the tasks so that the events and projects are completed in time. With multiple projects executed simultaneously, the employee may be having a pressure of successful completion of all the projects. The employee may break down the events and projects into small tasks with timeline for each task, and also considering a buffer time so just in case if the Murphy's law is in operation, the time is managed, and the projects are completed successfully.

Case Study of Murphy's Law in Production Management

Case Scenario:

A company – Little Wonders & Co. is a manufacturing company of baby garments. The company secured a prestigious contract to supply baby garments to a leading retailer. The contract order size was huge and hence the production of baby garments required to be increased significantly. The retailer had provided a strict delivery schedule and hence it was important that the manufacturing company maintains strict timeline to adhere to the delivery schedule. The production manager of the Little Wonders & Co. was confident that all the required planning and preparations are in place and were quite sure that the order will be executed smoothly and successfully.

However, to the surprise of the production manager, there were certain unforeseen events that took place (Murphy's law).

Application of Murphy's Law:

- There was an unexpected power failure for a week, due to a major technical issue from the end of power supply provider, which resulted in downtime of machines affecting delivery schedules.
- Within a week of power restoration, there was a breakdown of two machineries, which further added pressure on coping with the delivery schedules.
- When the quality check was undertaken, it was found that a couple of batches did not meet the quality standards of the baby garments, and hence rework of those batches added a strain on the production.
- There were some workers who fell sick and could not be present at work for a week. These workers were under the weather and was preferred that they resume work when they are better. It was difficult to manage the substitute of the workers in a short

time. Thus, shortage of workers for this temporary period further added pressure on the production schedules.

Due to the application of Murphy's law in the production function of Little Wonders & Co., the company may face the following challenges/consequences:

- The timelines of production schedule were disrupted due to power failure, machinery breakdown, issues in batch quality and sick workers.
- The costs of production increased because of machinery repairs, rework of sub-standard garments and loss of productivity due to power failure and worker absenteeism.
- The delay in delivery schedule may lead to client dissatisfaction.

Suggested Solution to Murphy's Law:

- A power back is always required especially when a prestigious contract is required to be executed.
- Proper machinery maintenance should be undertaken so that there are minimum chances of machinery breakdown.
- The production manager should communicate right from the beginning that quality should not be compromised; the culture of quality should be reinforced.
- Some workers should also be available as stand-by so that in case of any labour challenges, the stand-by labours can take charge.

Case Study of Murphy's Law in Marketing Management

Case Scenario:

A footwear company launched an environment-friendly product – Greenwear. Greenwear is a footwear which is made up of recycled wastes like plastic and paper. The company had spent a good amount on research & development for producing the product that brands

the company as environment-friendly. The company's Greenwear was targeted at younger generations, who are vocal and expresses their concern about environment protection and climate change. The company had planned their product launch in a grand way through in-store and online marketing. There was a huge promotion done to get a lot of attention for the product launch. They had engaged Public Relations (PR) agency for propagating their environment-friendly brand/ company image. The company had expected a huge turnover at the in-store and online promotion events at the day of the product launch. Thus, the marketing manager was keen in making quick sales during the product launch itself.

However, the Murphy's law was experienced by the company.

Application of Murphy's Law:

- The day of product launch was a festival day. There was too much traffic all over the city, which lead to delay in delivery of products at in-store, which in turn resulted in delay of product launch event. There was too much crowd excited about the product launch. But the product launch resulted in impatience in the crowd and not many people waited for long to witness the product launch.
- At some stores where the product had reached in advance, the crowd was gathered in huge numbers, and the launch could not be done properly due to poor crowd management.
- The product launch was also to take place online. Heavy promotion about the product launch resulted in huge sections of youngsters joining online. This resulted in heavy online traffic, which crashed the online connectivity.
- The PR agency that was engaged for promoting the brand/ company image as environment-friendly was not prepared well and the positioning of the brand/company did not convey the message as intended by the company.

Due to the application of Murphy's law in the marketing function of the company, the following were the consequences:

- In-store quick sales did not take place as expected.

- Online product launched was missed.
- Dissatisfaction among the target audience since in-store crowd was mismanaged at some places and at other places the product could not reach the store in time. The online target audience was also disappointed. This affected the company reputation.
- Proper brand/company positioning did not take place.

Suggested Solution to Murphy's Law:

- The company should plan the product deliveries, quite in advance for in-store product launches to avoid last minute challenges.
- The company should deploy adequate security personnel for crowd management during the in-store product launch.
- Online product launch should be tested and bandwidth for excess online traffic should be anticipated considering the promotion undertaken by the company.
- The company should ensure proper communication with the PR agency. The PR agency should have been briefed properly with respect to the contents of the product, positioning of the product, promotion message, etc.

Case Study of Murphy's Law in Finance Management

Case Scenario:

A large manufacturing company decided to buy a heavy machinery for manufacturing its products. The senior team members at the Finance Department weighed the options of either buying the machine outright or buying it through a bank loan. It was decided that the machinery shall be imported from a foreign country and will be bought through a bank loan. The company funds can be made use of meeting the liquidity requirements. The finance team made arrangements to effect the transaction with both the parties i.e. the foreign seller and the bank.

The company had planned the machinery fixed in the plant and the production process was scheduled. The company was optimistic that the new machinery will add efficiency to their existing production process and in turn increase profits.

However, the Murphy's law is illustrated in this situation.

Application of Murphy's Law:

- The company took time to identify the right foreign seller from whom it could buy the technologically advanced heavy machinery.
- The bank loan process took more time than expected.
- The company got involved in regulatory hurdles since the heavy machinery had to be imported.
- The machinery could not bring efficiency due to the reasons, such as (i) the installation of the heavy machinery at the plant site was not done properly which led glitches in the production process, (ii) the workers were not trained to handle the technologically advanced machinery.

Due to the application of Murphy's law in the finance function of the company, the company faced the following results:

- Delay in procurement of the heavy machinery
- Delay in the loan disbursement
- Delay in production schedules
- Inefficiency in production process

Suggested Solution to Murphy's Law:

- The finance team can take help of the production team to reduce the time to identify the right foreign seller.
- The company should be proactive in initiating the bank loan process so that the necessary documentation is done in time.
- The finance team should be well-equipped with the knowledge of regulatory processes.

- The machinery location at the plant site and the workers training should be planned so as to avoid productivity and efficiency delays.

Case Study of Murphy's Law in Human Resource Management

Case Scenario:

A company – Happy & Happy Ltd. had recruited 25 middle level sales executives. The company followed a scientific selection process and these middle level sales executives were invited onboard. The Human Resources (HR) Department of the company had planned the onboarding process for these incoming employees. The process was for two days, wherein on the first day, the employees would be briefed about the company, its vision, its operations, its policies, etc. A senior manager was invited to take up the first day general orientation training. For the second day, the training was more specific relating to the product sales, sales process, clients' profile, sales operations, etc. The training for the second day was planned to be taken by the senior sales manager. All the preparations and invitations were carried out. The HR Department was confident that the onboarding process will be conducted smoothly, and the 25 middle level sales executives will be ready to take up their roles well after the training process.

Inspite of everything taken care of by the HR Department, the Murphy's law was experienced.

Application of Murphy's Law:

- The recruitment of 25 middle level sales executives was done and all of them were invited for the onboarding process. But only 15 candidates showed for the process.
- During the first day of the general training program, the company's Audio Video (AV) was to be shown to the participants to get a broader view of the company. However, the AV could not be shown due to the technical glitch.

- During the second day, the training was planned to be conducted by a senior sales manager. There was a delay in commencing the sales training program, because the sales manager reported late. He was tied up with his sales meetings and could not start the training program in time.

- The documentation for the onboarding process could not be completed since the training program got extended for longer time on the second day.

Due to the application of Murphy's law in the human resource function of the company, the impact was as follows:

- Not all the selected candidates participated in the onboarding process. This led to shortage of sales executives as per the demand of the sales team. Further, additional time, efforts and cost will be spent on meeting the staff requirements of the sales team.

- General orientation training of the company was not satisfactorily delivered.

- The sales training was not effectively delivered since the participants were tired due to the long waiting period.

- The documentation of the onboarding process could not be completed.

- The participants experienced incomplete knowledge about the company and its sales operations.

Suggested Solution to Murphy's Law:

- The HR Department needs to double check the joining of the selected candidates so that time and effort is saved. This ensures that right number and right talent are supplied to the sales team.

- There could be a proper check of AV facility to avoid the technical glitches. A mock run could be conducted to ensure that all the technology is in order.

- The sales manager's appointment should be ensured that he/she is reserved only for the training on that particular day. A

reminder to the senior sales manager a day prior to the training may help him/her to schedule himself/herself well.

- The onboarding documentation could be taken up during the waiting period.
- Another half day summary training of the 15 participants may be conducted to provide greater insights about the company and its sales operations.

MEANING AND NATURE OF CONFLICT

Conflict may be referred as a disagreement. Organisational conflict refers to the disagreement over the attainment of goals or the means to achieve the goals. It is a situation in which two or more parties feel themselves in opposition.

Chung and Megginson define conflict as "the struggle between incompatible or opposing needs, wishes, ideas, interests, or people. Conflict arises when individuals or groups encounter goals that both parties cannot obtain satisfactorily".

According to Stephen Robbins, conflict is defined as "a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about".

The **features** of conflict are explained as follows :

1. **Incompatibility of Goals:** Conflict arises due to disagreement on certain work related issues. It arises within an individual when there is incompatibility of his own goals, or when there is incompatibility of goals between two individuals, or between two groups.

2. **Conflict is Inevitable:** In any organisation, there can be some degree of conflict in almost every working relationship. Conflict is a natural and inevitable outcome in any group, which may not necessarily have a negative effect on the organisation. Some conflicts like functional conflict is necessary to improve organisational performance.

3. **Conflict is Different from Competition:** Conflict and competition cannot be used interchangeably. Conflict occurs when individuals or groups have incompatible goals and they try to interfere with each other inorder to attain their respective goals. On the other hand, competition takes place when individuals or groups have incompatible goals but they do not interfere with each other inorder to attain their respective goals.

4. **Relationship Between Conflict and Organisational Performance:** There is a close relationship between conflict and organisational performance. The organisation performance may be low, when there is intense or low conflict. When there is moderate or optimum level of conflict, the organisation performance is high.

5. **Levels of Conflict:** Conflict can occur within an employee, between individuals or groups, and across organizations as they compete or deal with each other. There can be intrapersonal conflict, interpersonal conflict, and intergroup conflict.

   - Intrapersonal conflict takes place within an individual, as a result of competing roles taken in an organisation. For instance, a manager may take up the role of providing better facilities to the workers, and at the same time may be responsible to reduce the operating costs.
   - Interpersonal conflict takes place when a disagreement occurs between two persons in an organisation.
   - Intergroup conflict takes place when one group such as a department, disagrees with another group.

6. **Sources of Conflict:** Conflict may arise due to the following reasons:

   - Personal prejudices
   - Role conflict
   - Organisational change, etc.

7. **Consequences of Conflict:** Organisational conflict has both positive as well as negative consequences. Functional conflict

brings positive effects to the organisation, whereas dysfunctional conflict is harmful to the organisation.

8. **Management of Conlict:** Conflict management is a two dimensional process. On the one hand, it tries to encourage constructive conflicts, and on the other hand it tries to resolve dysfunctional conflict.

CAUSES OF CONFLICTS

The following are the causes or sources of conflict in an organisation:

1. **Lack of Trust:** Every relationship requires some degree of trust - the capacity to depend on each other's words or actions. It takes time to build trust, but it can be destroyed in a moment. Lack of trust in each other can be the cause of conflict in the organizations.

2. **Different Set of Values:** People in an organisation have different set of values. For instance, some people value honesty and integrity, whereas, others may not. Due to differences in set of values, there can be conflicts in the organisation. For instance, the marketing manager may be in favour of honest advertising, whereas, the advertising manager or the advertising agency may be in favour of tall claims. Such differences may result in a conflict.

3. **Personality Clashes:** There are personality differences. Not everyone thinks, feels, looks, or acts alike. Some may be too aggressive, whereas, others may be quite assertive. The differences in personality can be a cause of conflict among people in the organisation. Although personality differences can cause conflict, yet they can be utilized for the advantage of an organisation. Employees need to accept, respect, and learn how to use these differences when they arise.

4. **Threat to Status:** Status is important to many individuals in an organisation. When there is a threat to one's status, then that person would make every possible effort to maintain and

preserve it. Conflict may arise between the defensive person and the one who has created a threat to status.

5. **Differences in Perceptions:** People view things or events differently. This may be due to their past experience and expectations. Since their perceptions are real to them, they fail to understand that others hold contrasting perceptions of the same thing or event. As a result, conflict occurs between the two persons having different perception of the same event or object.

6. **Competition:** Conflicts may arise as people or groups compete with each other for rewards and resources. For instance, one department may like to obtain more funds for its activities, as compared to other departments, as it may feel that its activities are more important in the organisation. This may lead to conflict in the organisation.

7. **Problem of Multiple Roles:** When a person has to perform multiple roles, it can cause an intrapersonal conflict. This is because; the person may try to give more importance to one role as compared to the other role. In such an instance, there can be intrapersonal conflict.

8. **Problem in Setting Goals:** There can be clash in setting goals or priorities in the organisation between the superior and the subordinate. For instance, the superior may give more importance to quality of performance, whereas, the subordinate may give more importance to quantity of performance.

9. **Organisational Change:** In order to keep pace with changing technology, social, cultural and political environment, organizations are expected to change themselves. A change in an organisation is likely to create conflicts as regards goal setting, resource allocation, etc.

10. **Other Causes:** Conflicts may also arise due to personal prejudices, ego, inter-group rivalries, and so on. Again, a conflict may be caused due to a single factor or due to multiple factors.

MANAGEMENT OF CONFLICTS

Conflict management is a two dimensional process. On the one hand, it tries to encourage constructive conflicts, and on the other hand it tries to resolve dysfunctional conflict.

I. Stimulating Positive Conflicts

In order to encourage constructive conflicts, management may adopt the following techniques:

1. Developing healthy interpersonal and inter-group relationships in the organisation.
2. Encouraging innovative ideas and actions on the part of individuals and groups in the organisation to sort out conflicts.
3. Introducing positive and result-oriented changes in the organisation in respect of technology, organizational structure, and other related areas.
4. Providing training to develop attitudes and skills to handle and overcome conflicts in the organisation.
5. Setting high performance targets, and providing adequate rewards to the members.
6. Encouraging open system of communication, where each person can feel free to discuss problems and issues of the organisation.

II. Resolving Dysfunctional Conflicts

The following techniques are suggested to sort out dysfunctional conflicts:

1. Emphasis on Management by Objectives, in which the superior and subordinate managers jointly define and set common goals. This will help to sort out clash in setting goals or targets.

2. Involving ombudsman, or consultants to sort out conflicts.
3. Improvement in communication systems at all levels in the organisation.
4. Encouraging workers participation in management.
5. Encouraging quality circles to analyse problems and to suggest recommendations to overcome problems.
6. Introducing conflict resolving strategies such as:

   (i) **Avoiding :** It means both the parties to conflict withdraw which results in lose-lose situation.

   (ii) **Smoothing :** It means giving due concern for others. A person accommodates the other person's interest over and above his own interest. It results in "Lose-Win" outcome.

   (iii) **Forcing :** It means using force or power to win. This strategy is aggressive and aims at achieving personal goals at the cost of others. The likely outcome is "Win-Lose" situation.

   (iv) **Compromising :** This strategy believes in middle path i.e. giving something for gaining something. There is no clear cut outcome of this strategy.

   (v) **Confronting :** It is also known as **'Problem Solving'** Strategy which truly tries to resolve the conflict by facing it directly and tries to maximise the achievements of both the parties. The possible result is "Win-Win" outcome.

Out of the 5 strategies explained above, avoiding and smoothing strategies are useful to control the degree of conflict and minimise its side effects. Compromise strategy is good for finding out a solution. On the other hand, forcing strategy may provide a short-term win but will harm the relationships between two parties.

ESSENTIAL SKILLS FOR CONFLICT MANAGEMENT

The managers need to have the following essential skills to manage conflicts effectively:

1. **Communications Skills:**

Managers need to be effective communicators for conflict management. They should know:

- ***What to communicate:*** The managers should communicate the message clearly to the conflicting parties. The message may be in the form of information and/ or feedback.
- ***When to communicate:*** The managers should communicate the message to the conflicting parties at the right time. The managers need to be proactive to minimize the conflicts.
- ***Whom to communicate:*** The conflicting parties should be communicated about the problems and issues, and the means through which the issues can be resolved. The managers may communicate directly with the conflicting parties to understand their problems and issues.
- ***How to communicate:*** The managers may communicate either orally or in writing with the conflicting parties to resolve the conflicts. There should be the use of proper body language and proper words while communicating with the conflicting parties.

2. **Problem-solving Skills:**

Managers need to have problem-solving skills to resolve organizational conflicts. Managers should not just identify a problem or a conflict but design the best solution to solve the problem or conflict. For this purpose, the managers need to be intelligent, experienced, and up-to-date with latest developments. Then only, the managers may be in a position to design or arrive at better solutions to resolve conflicts.

3. Active Listening Skills:

To address the conflicts, the managers should have active listening skills. The manager with active listening skills considers the following:

- Listens to the conflicting parties with an open and a positive frame of mind
- Does not interrupt or divert the speaker
- Empathizes with the speaker
- Provides feedback to the speaker

4. Emotional Intelligence:

Emotional intelligence refers to understanding and managing one's own emotions and that of others. Conflict management not only involves rational thinking but also emotional intelligence. Managers need to possess emotional intelligence, which involves the following components:

- Self-awareness
- Social awareness
- Self-regulation
- Social skills

5. Human Skills:

Human skills are also called as inter-personal skills. Conflicts may occur at all the levels of management. Therefore, all managers at all levels need to have human skills. Managers at all levels need to interact with other persons in the organization. Human skills are required to understand others, to lead, to communicate, to motivate, to develop team spirit and most of all to work with others. Human skills help the managers to create an environment in which employees feel secure and free to express their views and opinions. Thus, the managers with good human skills can minimize conflicts in the organisation.

6. **Teamwork:**
Being able to work as a team reduces organisational conflicts. Managers should develop good team spirit among the employees and the departments in the organisation. Managers should motivate the employees by sharing a common purpose and goal among its group members. This boosts the team morale. It is the teamwork that brings success to the organization.

7. **Stress Management:**
Conflicts are stressful. Therefore, the managers should have skills to manage and cope with stress. Whether the managers experience intra-personal conflict or inter-personal conflict, they should learn to create a stress-free environment for them to work effectively. The activities for stress management skills in order to combat organizational conflicts may include offering:

- Counselling
- Proper work breaks
- Health and wellness benefits, etc.

8. **Decision-making Skills:**
All managers at all levels face conflicts, and thus, need to make decisions to resolve conflicts. Managers need to skills to generate alternatives to address the conflicts. With their judgement and experience, they need to select the best alternative in order to solve a problem or to resolve a conflict.

INTERNAL ASSESSMENT

Case Study - Solved

On a fine sunny day, a bank in the western suburbs of Mumbai was robbed by three professional robbers. The robbers entered the bank with pistols in their hands, and demanded cash from the teller. The teller, Mr. Jani complied to the demand of the robbers. The robbers

4 MANAGERIAL OPPORTUNITIES AND CHALLENGES – II

"It's not stress that kills us, it's our recation to it."
- Hans Selye

- *Concept of Management Information System*
- *Sources of MIS*
- *Meaning of Talent Management*
- *Process of Talent Management*
- *Meaning of Stress in Business Organizations*
- *Measures for Stress Management*
- *Need for Eustress in Business Setups*
- *Concept of Green Management*
- *Need for Green Management*
- *Green Management Practices*
- *Concept of Work Life Balance*
- *Need for Work Life Balance for Managers*

CONCEPT OF MANAGEMENT INFORMATION SYSTEM

Management information includes all the possible data, in terms of facts, opinions, views, guidelines and policies, which are necessary to make vital managerial decisions.

H. Weihrich and H. Koontz define MIS as *a formal system of gathering, integrating, comparing and analyzing, and dispersing information internal and external to the enterprise in a timely, effective, and efficient manner.*

The design of MIS depends upon the needs of an organization. The functions performed by MIS include:

- Gathering data
- Analyzing data
- Evaluating information
- Disseminating information to managers for decision-making
- Processing data
- Storing and retrieving data

A properly designed MIS must be able to perform the above functions.

Inorder to design MIS, the following steps need to be followed:

Identify and Define Information Needs

↓

Evaluate the Cost of Collecting and Processing Information

↓

Identify the Sources of Information

↓

Data Bank

↓

Data Processing

↓

Information Bank

1. **Identify and Define Information Needs:**

The firm must first identify and define information needs of the managers. It is necessary to determine and define the information needs because only the relevant and required information will be gathered and given to the decision-makers.

2. **Evaluate the Cost of Collecting and Processing Information:**

The firm must also determine the cost of collecting and processing If it is worth to collect additional information, then only it will be collected and analysed. In other words, there must be cost-benefit analysis of MIS.

3. **Identify the Sources of Information:**

The information can be collected from internal sources and external sources.

- Internal sources include information from employees, in-house journals, accounts records, appraisal records, and other organizational records.
- External sources include information from customers and competitors, outside journals, government records and others.

It is always advisable to go for internal sources first and then to lay emphasis on external sources, if required.

4. **Data Bank:**

Once, the sources of information are determined, then, the management team must gather the data. Once the data is collected, it must be stored in computers, or files. As and when it is required, it must be retrieved.

5. **Data Processing:**

As and when the need for decision is felt, relevant data is processed with the help of computers or otherwise and the processed data is analysed.

6. **Information Bank:**

The analysed data is evaluated in the light of present circumstances or environment, then it is disseminated or distributed to those who require it to make decisions.

SOURCES OF MIS

The information used in business organizations is collected from different sources. These include:

- **Primary Sources:**
  Primary sources of information are collected first hand by the organization. It is original in nature. For example, observations and surveys are ways in which first hand information may be gathered.

- **Secondary Sources:**
  Secondary sources of information refer to second hand information, which is gathered from the existing sources. For example, internal records of the organization, government reports, etc.

- **Internal Sources:**
  The management information which is generated from within the organization is called as internal sources of information. An organization may use certain information from its own records to take certain decisions. For example, promotion of employees can be based on the performance appraisal reports.

- **External Sources:**
  The management information which is collected from the external business environment is called as external sources of information. For example, the data may be collected from customers, dealers, suppliers, government reports, etc.

The specific sources of MIS are:

1. **Observation Method:**
   The organization can obtain information by observing employees, customers, dealers, etc. For instance, organizations can study consumer buying behaviour by observing the behaviour of customers in shopping malls. The observation may be in terms of:

- What is their buying preference?
- How much do they buy?
- How do they react to the sales promotion offers?

2. **Survey Method:**

The organization can collect information through survey method. The survey can be conducted from the employees, organizational leaders, customers, suppliers, etc. This source of collecting information is more structured and formal method. A structured questionnaire is filled from the internal and/or external stakeholders. For instance, the organization may conduct a survey to know the job satisfaction among employees.

3. **Interview Method:**

The organization may conduct interview of employees, customers, dealers, suppliers, etc. Interview is a face-to-face discussion between the two parties. For instance, the organization may conduct an interview with a customer to know the feedback of the product. The interview may be a structured or an unstructured interview.

4. **Internal Records:**

MIS includes internal records, such as:

- Purchases and sales records
- Debtors and creditors records
- Production records
- Financial statements record like balance sheets, cash flow records, profit and loss statements, etc.
- Employees' records like compensation, performance, code of conduct, etc.

5. **Mass Media:**

Organizations may also be able to get information from mass media such as television, radio, newspapers, etc. There could be some news items announced on television and/or radio, a

useful print article related to the organizational interest which may act as a good source of management information.

6. **Knowledge Resource Centres:**

Library or knowledge resource centre maintains reference books, government and private publications, research publications, magazines, journals, etc. The centre may also have electronic records in the form of audio and video tapes, films, etc.

7. **Knowledge Sharing Sessions:**

MIS can be gathered through meetings, seminars, workshops, and conferences. These knowledge sharing sessions can be organised at local level, regional level, national level and international level. During such knowledge sharing sessions, experts may be invited to share their experiences and the participants may also exchange their knowledge.

8. **Internet:**

Internet provides electronic or digital information to the organizations through computers, laptops, smartphones, and tablets. It offers latest information on any managerial issues with just a click of a button. Now-a-days, almost all organizations have internet infrastructure to source the information through internet. The different sources of MIS through internet may include:

- World Wide Web (www)
- Chatrooms
- Electronic mails (e-mails)
- Social media, etc.

9. **Government Publications:**

Central, State and Local government bodies produce and publish a vast amount of information that can be used by the organisations. Some of the important government publications are:

- Census Report
- Statistics of National Income
- Price Statistics, etc.

10. General Publications:

It includes publications like:

- Trade and professional journals of Trade Associations and Chamber of Commerce
- Professional directories published by professional bodies, e.g., Industrial Directory of India
- Research projects of World Bank, United Nations, etc.

MEANING OF TALENT MANAGEMENT

Talent is what people have when they posses their skill, ability and attitude that enable them to perform effectively in their role. In a competitive business environment, organizations require talent in order to deliver excellent results. In order words, talent can act as a competitive tool in an increasingly complex global world. Right talent is the greatest asset for any enterprise. The most important role of HR department is to ensure that employees with right skill sets are retained in the organization.

It is understood that the success of any business organization depends to a large extent on the quality of top executive talent and how effectively these critical talent resources are managed and developed. Talent management aims to identify, obtain, keep and develop those talented people. The main concern of talent management is obtaining, identifying and developing people with high potential. The concept of talent management came to prominence after McKinsey's 1997 research and the 2001 book on **"The War of Talent"**.

Talent management must emphasize *'growth from within'* regarding talent development as an important element of business strategy.

Talent management is the process of ensuring that the organization has the talented people it needs to attain its business goals. It refers to the process in which the human resources having aptitude and abilities are developed and retained to meet current and future organizational needs. It implies recognizing person's inherent skills, traits, personality and offering him a matching job.

The **American Society for Training and Development (ASTD)** defines talent management as, *"an organisation approach to leading people by building culture, engagement, capability, capacity through integrated talent acquisition development and deployment process that align with business goals"*.

The most challenging function of talent management is to ensure that right human resources are retained in the organizations. Talent management is a full-fledged process that not only controls the entry of employees but also their exit.

PROCESS OF TALENT MANAGEMENT

The process of talent management regulates the entry and exit of talented people in an organization. The process of talent management can be explained as follows:

1. **Talent Planning:** Talent planning involves identifying talent needs, anlaysing the available talent resources and determining what additions and/or replacements are required to maintain the talent of desired size and quality in the organization. It is a process of establishing how many and what sort of talented people are needed now and in the future. The main objective of talent planning is to determine the requirements of talent.

2. **Resourcing:** It refers to identifying talent either from within or outside the organization.

   - Identifying talent from within the organization is called as *Internal Resourcing*.
   - Identifying talent from outside the organization is called as *External Resourcing*.

Resourcing policies should ensure that good quality people and talented people apply and stay in the organization.

3. **Attraction and Retention Policies:** Attraction policies refer to external sourcing of talent to the organization. Potential employees are attracted and apply for jobs due to factors, such as:

   - Corporate image
   - Compensation package
   - Career opportunities, etc.

   Retention policies are designed to ensure that people remain as engaged and committed members of the organization. Some of the retention policies that may be adopted by the organization are:

   - Flexible working hours
   - Challenging tasks
   - Employee recognition, etc.

4. **Talent Audit:** Talent audit is a systematic process of evaluating the functioning, performance and management of talent in the organization. It attempts to evaluate the policies, procedures and practices of the organization to find out the efficiency and effectiveness of talented people in the organization. Talent audit identifies:

   - Employees having talent potential and providing them opportunities for career planning and development.
   - The danger of talented people leaving the organization and action to be taken to retain them.

5. **Role Development:** Talent management is concerned with the roles employee carry out in the organization. Role development ensures that the employees are given challenging tasks, and adequate authority and responsibility so that the employees are motivated and engaged. It also involves that employees are provided with training and development opportunities to

develop and enhance their role performance. Talent management focuses on providing a chance to employees for expanding their roles so as to improve and enhance their talents.

6. **Talent Relationship Management:** Talent relationship management relates to building effective relationships with people in their roles. It makes people committed to their work and the organization. It involves:
   - Recognizing the value of individual employees
   - Providing opportunities for growth
   - Treating employees fairly
   - Achieving talent engagement

7. **Performance Management:** Performance management refers to enabling, encouraging, co-ordinating and supporting employees to achieve their individual objectives. It involves monitoring, measuring and rewarding employees for their performance. It helps build relationships with people, identify talent, plan learning and development activities and make the most of talent possessed by the organization.

8. **Learning and Development:** Learning and development policies and programmes are essential components in the process of talent management. Talent management helps to identify talent gaps. Learning and development helps to fill the talent gaps by enabling employees acquire and enhance the required knowledge, skills, attitude and social behaviour. Thus, learning and development helps to create capable and competent workforce.

9. **Career Development:** Career development of employees is an important part of talent management. Career development refers to developing career of employees in the organization. The employees can plan for their careers within the organization once they come to know of the qualifications and qualities that would be required to implement the long range plans.

10. **Succession Planning:** Talent management includes succession planning. Succession planning refers to the process of planning

for filling up the vacancies at higher levels when they fall vacant due to retirement, resignation, promotions, and transfers of top-level executives. The need for succession planning may also arise when the organisation grows creating new opportunities at the top level.

MEANING OF STRESS IN BUSINESS ORGANIZATIONS

Stress is the general term applied to the pressures people feel in life. The presence of stress at work is almost inevitable in many jobs.

Stress may be defined as a state of imbalance arising due to excessive psychological and/or physiological demands on a person. **Dr. Hans Selye**, one of the leading authorities on the concept of stress, described stress as *"the rate of all wear and tear caused by life."*

Fred Luthans defines stress as *"an adaptive response to an external situation that results in physical, psychological, and/or behavioural deviations for organisational participants."*

It is to be noted that stress can be positive or negative. Stress is said to be positive when the situation offers an opportunity for a person to gain something. ***Eustress*** is the term used to describe positive stress. Eustress can act as a motivator for peak performance. Stress is said to be negative when a person faces social, physical, organisational, and emotional problems.

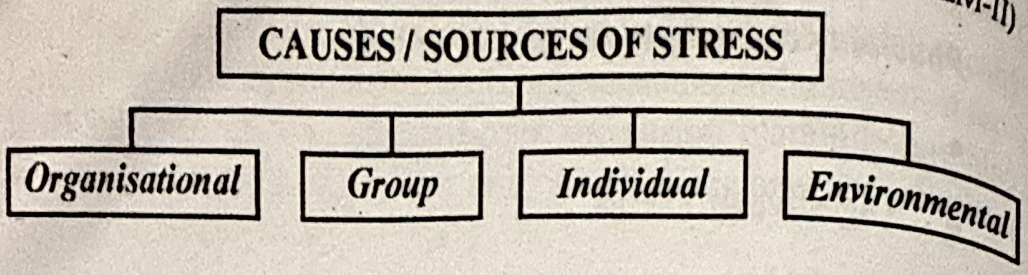
When stress becomes excessive, employees develop various ***symptoms*** of stress that can harm their job performance and health, and even threaten their ability to cope with the environment. People who are stressed may become nervous, chronically worried, and are easily provoked to anger. They are unable to relax and may be unco-operative.

The typical negative symptoms of unmanaged stress can be classified as:

1. ***Physiological Symptoms,*** which include :
   - Ulcers
   - Digestive problems
   - Headaches
   - High blood pressure
   - Sleep disruption
2. ***Psychological Symptoms,*** which include :
   - Emotional instability
   - Moodiness
   - Nervousness and tension
   - Chronic worry
   - Depression
   - Burnout
3. ***Behavioural Symptoms,*** which include :
   - Excessive smoking
   - Abuse of alcohol or drugs
   - Absenteeism
   - Aggression
   - Safety problems
   - Performance problems

Sources of Stress

Factors or conditions that cause stress are called ***"stressors."*** The causes or **sources** of stress can be broadly divided into four groups as shown in the following chart:



I. *ORGANISATIONAL STRESSORS:*

The organisational stressors are also called as ***job-related stressors.*** Some of the important job related causes of stress are as follows:

1. **Role Conflict:** It takes place when different people have different expectations from a person performing a particular role. For example, a HR manager acting as a link between the management and the workers union may face the problem of role conflict, i.e., if he supports the management, the workers' union may not like, and if he supports the workers' demands, then management may not like it. In such a situation, the HR manager is caught in a "catch 22" situation.

   Role conflict can also occur if the job is not as per the expectation or when a job demands a certain type of behaviour that is against the person's moral values. For example, an honest and a disciplined person may find it difficult to adjust with unethical practices in business.

2. **Role Ambiguity:** It occurs when the person does not know what he is supposed to do on the job. His tasks and responsibilities are not clear. He may not have proper knowledge of the job, or he may be lacking the skills to perform a particular task. This creates confusion in the minds of the worker and may lead to stress.

3. **Organisational Structure:** The organisational structure defines the pattern of relationships in the organisation. Stress can take place when the organisational relationships are poorly defined. At times, an employee may be asked to report to several bosses. Also, there may be excessive rules and regulations that are to be observed.

4. **Working Conditions:** Employees may be subject to poor working conditions. The poor working conditions would

include poor lighting and ventilations, unhygienic sanitation facilities, excessive noise and dust, presence of toxic gases and fumes, etc. Poor working conditions can create physiological and psychological imbalance in a person thereby causing stress. Long working hours may also bring physical strain, which in turn may lead to stress.

5. **Rotating Shifts:** Stress may occur to those individuals who work in different shifts. Employees may be expected to work in day shift for some days/weeks, and then in the night shift. This may create problems in adjusting to the shift timings, and it can affect not only personal life, but also family life of the employees.

6. **Work Overload:** It means doing too much of work in the allotted time. When an employee is asked to do many things in very little time, he may experience the stressful situation. Work overload can be of two types:

   - Quantitative overload in which the number of activities to be performed in the prescribed time are many.
   - Qualitative work overload implies performing a job that is complicated or beyond the employee's capacity.

7. **Work Underload:** In this case, very little work or too simple work is expected on the part of the employee. Doing less work or job that is routine and simple would lead to monotony and boredom, which can lead to stress.

8. **Lack of Participation in Decision-making:** Many experienced employees feel that management should consult them on matters affecting their jobs. In reality, the superiors hardly consult the concerned employees before taking a decision. This develops a feeling of being neglected, which may lead to stress.

9. **Organisational Leadership:** Employees may not like the leadership style of their superiors. This is especially true, when the superiors adopt autocratic leadership style in dealing with the subordinates. The autocratic leader may create a feeling of tension, and anxiety in the minds of the subordinates, which may lead to stress.

10. **Poor Performance of the Organisation:** The organisation's performance may be poor over a period of time. This may be a matter of concern to employees, especially the junior executives. They may feel that they may lose their jobs, which in turn may create stress in the minds of the employees.

11. **Organisational Changes:** The rapid changes occuring in modern organisations also cause stress. When changes occur, people have to adapt and this may cause stress. Stress is higher when the changes are major or unusual like layoffs or transfer or adaptation to a new technology.

II. GROUP STRESSORS:

The ***group stressors*** can be categorized into three groups :

1. **Lack of Group Cohesiveness:** Every group is characterized by its cohesiveness, although they differ widely in degree of cohesiveness. Cohesion refers to the ability of a group to remain together. Cohesiveness helps to develop team spirit among the members. However, lack of cohesiveness may lead to poor relations within a group, which in turn may lead to stress.

2. **Lack of Social Support:** Employees are greatly affected by the support of one or more members of a cohesive group. By sharing their joys and problems with other members, they feel contended. In the absence of such social support, it can be stressful to members of a group.

3. **Interpersonal and Intergroup Conflict:** Interpersonal and intergroup conflict takes place due to differences in perceptions, attitudes, values and beliefs between two or more individuals and/or groups. Such conflicts can be a source of stress to group members.

III. INDIVIDUAL STRESSORS:

There are certain factors, which are individual in nature that can cause stress. The ***individual stressors*** are as follows:

1. **Personality:** People can be broadly classified as "Type A Personality" and "Type B Personality".

- Type A Personality is more affected by stress due to certain features of that person, such as:
  - Does several things at one time.
  - Feels guilty when relaxing.
  - Feels impatient with themselves and others.
  - Feels aggressive and competitive.
  - Gets irritated at minor mistakes with self, and with others.
  - Sets high standards.
- Type B Personality is less affected by stress due to certain features of that person, such as:
  - Never in a hurry.
  - Relaxes without guilt.
  - Does one thing at a time.
  - Is not impatient.

2. **Life Changes:** Life changes can bring stress to a person. Life changes may be slow or sudden. Slow life changes include getting older, and sudden changes include death of a loved one, accident of self or loved one, etc. Sudden changes are highly stressful.

3. **Career Changes:** Career changes can also bring stress to a person. When a person suddenly switches over to a new job with new responsibilities, then the employee may find it very stressful. Under-promotion, over-promotion, demotion and transfers can also cause stress. Also career women have more stress, as they have to strike a balance between office work and housework.

4. **Frustration :** Frustration is another cause of stress. Frustration arises when goal directed behaviour is blocked or thwarted. Management should attempt to remove barriers and help the

employees to reach their goals. Proper training and counselling can help to reduce frustration.

IV. ENVIRONMENTAL STRESSORS:

The environmental stressors are also called as ***extra-organisational stressors***. The various environmental stressors are:

1. **Civic Amenities:** Poor civic amenities in the area in which one lives can be a cause of stress. Inadequate or lack of civic facilities such as improper water supply, excessive noise and air pollution, lack of proper transport facilities can be quite stressful. For instance, travelling in Mumbai's suburban train during peak hours in a nightmare for the commuters.

2. **Caste and Religion Conflicts:** Employees living in areas, which are subject to caste and religious conflict do suffer from stress. Quite often, the lower caste and in the case of religion - the minorities are subject to more stress.

3. **Technological Changes:** Changes in the technological field can be a source of stress, as employees are under the constant stress of the fear of losing jobs, or the need to adjust to new technologies.

4. **Other Environment Factors:** The various other environmental factors, such as political factors, law and order situation, problem across the national borders, social and cultural changes can also be a factor of stress to some people.

MEASURES FOR STRESS MANAGEMENT

There are several approaches/measures to minimise stress at work. The stress coping strategies can be broadly divided into two groups:

(I) Individual Strategies

(II) Organisational Strategies

I. *INDIVIDUAL STRATEGIES:*

An individual experiencing stressful situation can take the following steps to either minimise or eliminate the side effects of intense stress:

1. **Physical Exercise:** An employee suffering from stress must resort to physical fitness exercises. For this purpose, exercises such as walking, jogging, swimming, etc., can help to combat stress. Regular exercise can also help to reduce certain diseases such as heart problems.

2. **Meditation:** An employee suffering from stress may also resort to mediation. Meditation helps to develop the power of concentration. It helps to overcome neurological problems. It can also reduce physical strain on the mind. This is because; the mind has control over the matter – i.e., body.

3. **Relaxation Training:** It is a technique that teaches different methods for replacing feeling of tension by relaxing or releasing tension. One of the relaxation techniques involves listening to soft music. People can also relax with the help of meditation and mental exercises.

4. **Time Management:** There should be proper time management so as to avoid work overload. Proper time management can reduce the stress caused due to work overload. It is true that if one can manage time effectively, he or she can achieve much more than otherwise. To manage time one has to:

   - Prepare a day wise list of activities.
   - Give priority to urgent and important work.
   - Delegate routine and repetitive work.
   - Handle the most demanding work, when one is fresh or more productive.

5. **Social Support :** Emotional support from family members, friends, co-workers, supervisors and others is very useful to soften the effects of stress.

6. **Behavioural Self Control :** This strategy involves the individual's attempt to control the stressful situation instead of allowing the situation to control him. A person can avoid a situation that will put him under stress.

7. **Biofeedback :** It is a technique of coping with stress. The stress victim is under the medical guidance to reduce stress related problems such as headache or increased blood pressure. Likewise, psychological treatment can also be provided to reduce stress.

8. **Networking :** It means forming close associations with trusted friends or co-workers who are good listeners and confidence builders.

9. **Personal Well Being :** Some preventive steps can also be taken to minimise the effects of stressors. These are:-

   - An appropriate philosophy of life
   - Self-assessment
   - Nutrition management
   - Positive thinking
   - Developing hobbies
   - Behaviour modification.

10. **Sabbaticals:** Some organisations allow highly stressed employees to go on a long vacation or **sabbatical leaves.** Some sabbaticals provide unpaid time off, some provide partially paid leaves while others give full pay to the employees who are away. The employees return stress relieved and refreshed.

    The employees when sent on paid leaves feel rewarded and valued by their employees. The organisation may benefit from cross-triangle that takes place among employees while one employee is on sabbatical. This allows organisational flexibility and raises employee competency and self-esteem.

II. ORGANISATIONAL STRATEGIES FOR MANAGING STRESS :

Management can take several measures to minimise or eliminate organisational level stressors. Various measures at organisational level to manage stress are stated below :

1. **Changes in the Organisational Structure :** It includes steps establishing proper means of communications, clear cut definition of authority, making rules that are flexible, and resolving the conflict between line and staff people.

2. **Decentralisation of Authority :** Steps should be taken to delegate authority at lower levels. This helps to reduce the involvement of seniors and increase the active participation of subordinates in decision making. This helps to reduce the magnitude of stress.

3. **Working Environment :** Appropriate measures can be taken to provide suitable working conditions and improve the quality of work life. Sufficient lighting and ventilation facilities, adequate safety and security measures, noise and pollution control, facilities for rest and recreation can be provided to reduce impact of stress.

4. **Changes in the Nature of Job :** The problem of stress can also be solved by redesigning the nature of certain jobs. This can be done by -

   (i) By expanding horizontally the scope of the activities i.e. through job enlargement.

   (ii) By providing more interesting and challenging work to employees. This can be done by job enrichment i.e. increasing the qualitative features of the job.

   (iii) By limiting unnecessary travel or relocations of jobs.

   (iv) By removing risky, unpleasant elements from working conditions.

(v) By taking steps to improve quality of working life. Suitable steps be taken to boost employee morale, enhance motivation and improve work performance.

(vi) Proper recruitment and selection of employees.

(vii) Minimising work overload and underload.

NEED FOR EUSTRESS IN BUSINESS SETUPS

Eustress is the term used to describe positive stress. It can act as a motivator for peak performance. There is a need for eustress in a business organization, which is explained as follows:

1. **Innovation :** Eustress facilitates innovation in the organisation. It enables employees to generate new ideas, new products, new processes, new techniques, etc. Innovation helps to gain competitive advantage in today's competitive business world.

2. **Optimum Use of Resources :** Eustress enables the employees to utilise resources at optimum level. Wastage of resources is minimised to a greater extent. Optimum use of resources bring good results to the organisations.

3. **Motivation :** Eustress motivates the employees to perform better. Motivated employees work with application and dedication. The dedication on the part of motivated work force brings higher efficiency in the organisation.

4. **Reduction in Wastages:** Eustress results in reduction of wastages in the organisation. Now-a-days, reduction in wastages is vital to any organisation. Reduction in wastages on the part of the employee generates higher employee productivity.

5. **Reduction in Absenteeism :** Eustress facilitates reduction in absenteeism of employees. Absenteeism takes place when employees remain absent without prior permission. Absenteeism creates several problems in the organisation.

6. **Encourages Initiative :** Eustress encourage the employees to show their initiative to come out with suggestions and actions that would not only help the organisation to grow and expand but also help the employees to fulfil their career aspirations.

7. **Better Relations :** Eustress enables to develop better relations among employees. There is a need to have good relations throughout the organisation i.e., between various people and departments in the organisation. Good relations generate team work, which enhances employee performance.

8. **Higher Efficiency :** Eustress helps to generate higher efficiency among employees. Efficiency is the relation between returns and costs. The more the returns at the same costs or a lower cost, the greater is the employee efficiency.

CONCEPT OF GREEN MANAGEMENT

Going green is one of the good business practices of an organization. The future of business is on efforts to go green and to be socially responsible organization. Green management focuses on delivering sustainable development; whereby the environmental goals are integrated with the business goals.

Green management is an approach adopted by companies to attain environmental objectives. It involves:

- Planning environmental targets
- Identifying green initiatives
- Developing green teams that create and monitor green initiatives
- Making arrangement of resources
- Implementation of green initiatives
- Environment audit

Green management may simply mean stewardship of environment. It creates a strong social and environment impact and helps to

improve competitiveness and ultimately delivers a positive economic outcome.

The companies that adopt green management strategies are known as green companies. The green companies contribute to the growth of green management in several ways, such as:

- Undertake R & D to develop eco-friendly products.
- Adopt effective anti-pollution measures.
- Recycling of waste products.
- Adopt environmental friendly packaging.
- Cut the use of printed material.
- Use of renewable sources of energy.
- Encouraging people to demand eco-friendly products through aggressively publicity and advertising campaigns.
- Inviting suggestions from employees, customers and others towards the development of eco-friendly products and rewarding valuable suggestions.
- Educating the people of the benefits of eco-friendly products.

NEED FOR GREEN MANAGEMENT

The concept of green management has come into existence in response to the growing concern over environmental degradation. The deterioration of the ecology is a major global concern. Environmentalists in India and abroad are voicing their concern and campaigning for the need of green management, mainly, for the following reasons:

1. **Government Regulations:** There is a pressure from the government, world over, on stricter environmental regulations. The Government of India levy penalties, offer tax benefits and capital subsidies to motivate organizations to turn green.

For instance, the green bench of the Himachal Pradesh High Court on 4th May, 2012 imposed a penalty of ₹ 100 crore on Jaiprakash Associates Ltd. (JAL), a subsidiary of the JP Group, Noida for having set up a cement plant and dismantling of a thermal plant by violating environmental laws.

2. **Reduce Costs:** Green management involves making products using fewer resources, less energy and efficient technology. This helps to streamline the processes and to reduce costs. For instance Starbucks has reduced its energy consumption by 25 percent, which enables in substantial company savings. Also, a chemical maker DuPont, estimates that it has saved $3 billion from its efforts to reduce carbon emissions.

3. **Brand Image:** A better environmental sustainability profile enables to enhance the brand image. Green companies are seen as "good corporate citizens" and can strongly appeal all the stakeholders. They can improve their relationships with:

   - Customers
   - Government agencies
   - Media, etc.

4. **Attracts Investors:** The investors are increasingly concerned about the companies' environmental risks and liabilities. Therefore, the companies' environmental commitments are becoming stronger. The companies adopting green management approach are likely to have better stock performance. The companies green credentials make them more attractive to investors and financial analysts. The investors and financial analysts scrutinize the environmental performance alongside the financial performance.

5. **Recruits and Retain Top Talent:** A survey was conducted on recruitment consisting of 759 graduating MBAs at 11 top business schools. It reveals that the future business leaders value CSR and environmental sustainability high on their list of employer preference. They are willing to sacrifice a significant part of their salaries to find an employer who is environment sensitive.

Green management practices improve indoor air quality and lead to better employee health. This results in less absenteeism and greater productivity. Hence, this, in turn reduces employee turnover.

6. **Brand Differentiation:** In competitive business environment, companies strive for a unique selling proposition that can separate them from the competition in the minds of the consumers. Green management can play a role of building customer loyalty based on distinctive ethical values. Several major brands are built on ethical values. Business service organizations can benefit too from building a reputation for integrity and best practice.

7. **Stakeholders expectation:** These days, stakeholders have heightened expectations for a company's environmental performance. They are concerned about environmental responsibility and want to know about potential hazards and future environmental liabilities of the companies. Conducting environmental audits will help in reassuring various stakeholders that the company is living up to its environmental principles. It helps in enhancing reputation of the company as a good corporate citizen. It assists good relations with control authorities and also increases confidence in general public.

8. **Protection of Environment:** Green management practices help the organization to take necessary measures to prevent land, air and water pollution. The business firms adopting green management practices do not misuse or over-exploit natural resources. They are concerned with protection of environment and consider activities like recycling, waste management, using renewable energy resources, etc. as a part of their business functions.

9. **Corporate Social Responsibility:** The sole aim of business is not just to earn profits but also to contribute to society. It is now mandatory to spend at least 2% of net profit on CSR activities for companies having turnover of over ₹ 1000 crore and above or entities having net profit of ₹ 5 crore and more. The organizations should strike a balance between profit

objective and social responsibility objective. By going green, the business organizations can fulfil their CSR.

10. **Risk Mitigation:** There is a growing belief that environmental issues represent a source of risk in terms of unforeseen or foreseen reputation damage or similar other risks. In fact, it is the concern regarding environmental risks which has led to the development of the concept of green management. Green management practices can act as effective risk management tool for assessing compliance with environmental legislation, and thereby, assisting the company in avoiding the risk of prosecution and fines that arise from potential environmental breaches. This is particularly true for those involved in hazardous polluting industries.

GREEN MANAGEMENT PRACTICES

Nowadays, there is a growing concern towards environmental sustainability and green management. Professional organizations follow strict environmental policies to ensure that they remain in full compliance with environmental regulations. The green management practices adopted by professional organizations may include:

1. **Conserving Natural Resources:**

   Professional business organizations adopt green management practices of conserving, reusing, and recycling natural resources. When it is feasible, organizations conserve natural resources by using recycled materials and supplies, efficiently using energy, and participating in recycling programmes for their products after they have served their useful life. Organizations encourage and support the sustainable use of renewable natural resources.

2. **Reducing and Disposing of Waste:**

   Companies reduce and wherever possible eliminate waste through source reduction and recycling at company facilities. All waste is safely and responsibly handled and disposed off.

Some firms adopt 'Zero Waste – No Waste Policy'. Therefore, such firms develop attitude and consciousness towards Zero Waste Policy through training.

3. **Developing Safe and Sustainable Products:**

Organizations develop, produce, and market products that are safe and sustainable for their intended use. Green management policies and practices aim to protect, conserve, and sustain the world's natural resources and also protect the companies' customers and the communities where they live and operate.

4. **Improving Business Relationships:**

Organizations strive to incorporate green management practices into business relationships. Professional organizations seek similar commitments to green management from their major suppliers. They participate in industry groups to set industry standards on green management practices. They also strive to keep the customers informed about their efforts, and they welcome customers' feedback.

5. **Communicating Green Management Progress to Stakeholders:**

Organizations demonstrate their commitment to green management to their stakeholders. They engage the stakeholders about their objectives and targets. They periodically communicate their green management activities and progress thereof, to employees, shareholders, customers, and members of the public.

6. **Using Renewable Energy:**

An energy-efficient facility is good, but a 100 percent renewable energy facility is better. Firms like Apple Inc, Microsoft, and others focus on renewable energy. For instance, Environmental Responsibility Report, 2015 of Apple Inc states – *"As of 2014, 100 percent of our U.S. operations and 87 percent of our operations worldwide are powered by renewable energy– which results in fewer carbon emissions."* Therefore, Apple Inc taps into energy from solar, wind, micro-hydro, biogas fuel cells, and geothermal sources.

7. **Conducting Environmental Audit:**

Business firms need to conduct environmental audit. Environmental audit is an independent third party assessment of the current status of an organization's compliance with local environmental laws and regulations. Environment audit checks into the environmental performance of an existing operation or an activity. The main purpose of an environmental audit is the systematic scrutiny of environmental performance throughout a company's existing operations.

8. **Adopting Pollution Control:**

Environment is deteriorating day by day due to industrial pollution, toxic chemicals, automobile emission and natural resource depletion. Pollution in its various forms – air pollution, water pollution, soil pollution, noise pollution, etc., is increasing tremendously. Therefore, professional minded business firms in India take necessary measures to reduce air, water, soil, and noise pollution.

9. **Undertaking Environmental Reporting:**

Business firms must report on the environment sustainability with respect to their operations. Environmental reporting is a public disclosure by a firm of its environmental performance information, similar to the publication of its financial performance information. However, environment sustainability reporting is not a mandatory requirement in India. Except for some high performing, visible companies, a lot of organisations in India haven't started using the Global Reporting Initiative (GRI) sustainability reporting framework effectively.

10. **Imparting Green Management Education and Training:**

Green management education is the best programme to deal with the environmental problems. It is the most fundamental in our efforts to combat and control pollution, over-population, and misuse of natural resources.

Green management education includes the following objectives:

- Creating awareness about green management practices.

- Providing knowledge about the benefits of green management.
- Developing new attitudes towards green management.
- Developing skills for adopting green management practices.

CONCEPT OF WORK LIFE BALANCE

It is a common phenomenon today, that the employees experience interference between their work lives and family lives. Managing work-life balance is one of the major challenges for the organizations in the 21st century. Work-life balance does not mean an equal sharing of time between work and personal life. Work-life balance means the employees having a measure to control over when, where and how they work. It is said that employees achieve work-life balance when they happily fulfil their personal lives and at the same time they are accepted and respected at their workplace. According to Richard Hudson (2005), work-life balance may be defined *"as a satisfactory level of involvement or a 'fit' among the multiple roles in a person's life."*

Work-life balance is increasingly becoming significant for organizations due to reasons, such as:

1. More and more women are joining the workforce. Hence, especially, the working mothers find it challenging to balance their professional lives and personal lives.
2. In global organizations, business operations are carried out 24 × 7. Thus, the employees may have to work during odd working hours and it may disturb their family and work lives.
3. With the increasing cases of social disintegration like problems with spouses, children or elderly parents, employees place greater emphasis on their families, health and well-being.

Work-life balance is a strategy to retain employees in the organization. Therefore, it is necessary that organizations consider it as an important HRM function.

NEED FOR WORK LIFE BALANCE FOR MANAGERS

Work life balance is important for managers. The need for work life balance for managers is explained as follows:

1. **Reduced Stress Levels:** Work life balance reduces stress and brings personal and professional well being. Stress affects employee's physical and mental health and is bound to have an adverse effect upon his behaviour at work place. It is observed that at low levels of stress, employee performance improves.

2. **No Burnout:** Burnout is a syndrome of emotional, physical and mental exhaustion resulting from prolonged exposure to intense stress. Work life balance does not bring the situation of burnout to the employees. The employees work with great self-confidence and carry out their job responsibilities effectively.

3. **Higher Efficiency:** Work life balance helps to generate higher efficiency among employees. Efficiency is the relation between returns and costs. The more the returns at the same costs or a lower cost, the greater is the employee efficiency.

4. **Reduced Health Problems:** Work life balance results in lower stress levels which in turn makes the employee healthy and fit. Medical evidence suggests that there is a direct link between stress and heart disease. Stress also gives rise to negative effects like high blood pressure, ulcers, headaches, etc.

5. **Reduced Employee Turnover:** Employee turnover takes place when employees leave the organization and join some other place. Quite often, lack of work life balance results in higher employee turnover and vice-versa.

6. **Better Relations:** Work life balance enables to develop better relations among employees. There is a need to have good relations throughout the organization. i.e. between various people and departments in the organization. Good relations generate team work, which enhances employee performance.

7. **Motivation:** Work-life balance motivates the employees to perform better. Employees having work-life balance work with application and dedication. The dedication on the part of such motivated workforce brings higher efficiency in the organization.

8. **Corporate Image:** Due to work-life balance, the overall performance of the employee improves. Improved performance enables the firm to get higher results. This, in turn, enhances corporate image of the firm in the minds of shareholders, customers, and other members of the society.

PRINCIPLES OF MANAGEMENT-II

QUESTION BANK

Unit-1

1. Need for Delegation.
2. Important functions of Management.
3. Principles for Effective Delegation.
4. Steps in controlling.
5. Criteria for successful coordination
6. Devices/ Methods of coordination.

Unit-2

1. Features of Directing
2. Principles of Directing
3. Importance of Motivation
4. Qualities of a successful leaders
5. Factors influencing Motivation
6. Styles of leadership

Unit-3

1. Causes of conflicts
2. Process of Change
3. Reasons for resistant to change
4. Techniques of time Management
5. Features of Organizational Change
6. Issues in Managing our time
7. Essential skills for Conflict Management

Unit-4

1. Need for Eustress in Business Set-Ups
2. Explain the causes of organizational stressors
3. Define MIS and explain its steps to design
4. Explain the causes of individual and environmental stressors
5. Need for Work Life Balance for Managers
6. Measures for stress management